

# DEMONSTRATING THE BUSINESS VALUE OF PRO BONO SERVICE

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## ABOUT PRO BONO LAB

Pro Bono Lab is a French nonprofit organization that envisions a day when nonprofits, citizens and companies will act together to remedy the most pressing social challenges. To achieve this goal, we offer mission-driven organizations capacity building services by partnering and engaging volunteers in pro bono projects.

## ABOUT TAPROOT FOUNDATION

Most organizations tackling social problems don't have access to the marketing, design, technology, management or strategic planning resources they need to succeed. Without this talent, few are able to have their intended impact on critical issues like the environment, health and education.

Taproot is a nonprofit organization that makes business talent available to organizations working to improve society.

We engage the nation's millions of business professionals in pro bono services both through our award-winning programs and by partnering with companies to develop their pro bono programs. One day, we envision all organizations with promising solutions will be equipped to successfully take on urgent social challenges.

## PRO BONO PROGRAMS: AN OPPORTUNITY FOR STRATEGIC CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) strategies are in a state of evolution. To meet the demands of their employees and customers, many companies rushed to develop CSR models, later realizing that their models were not aligned with key business goals. This evolution is also affecting approaches to corporate philanthropy. This is a shift from the mindset to “give back” to one that considers “sharing value”. This means that corporations increasingly view CSR and corporate philanthropy as an opportunity and not a cost.<sup>1</sup> Companies can develop CSR programs that benefit not only the bottom, but also their employees, their customers and suppliers, and their local or even global communities.

Pro bono programs are increasingly emerging as an effective tool to support CSR programs and the concept of shared value. Pro bono can support business objectives by simultaneously bolstering employee morale, developing talents, improving the company’s reputation, and driving internal innovation. Volunteers who donate their skills to organizations that serve the community can derive a greater sense of purpose about their job and their employer, while developing their own career and skills. At the same time, pro bono shares value with community partners by delivering capacity building services to help nonprofits grow and achieve their mission. In a recent Taproot survey, 92% of nonprofit leaders reported that they do not have enough pro bono resources<sup>2</sup>. Pro bono programs can serve to fill that unmet need and become one of the most effective methods for “sharing value” among all involved parties.

Many U.S. companies see business value in their Employee Volunteering Programs (EVP) and, in 2007, 94% of Fortune 100 companies reported having some sort of domestic EVP.<sup>3</sup> Although pro bono is growing, only 14% of the corporate volunteering work is skills-based. Companies are not leveraging their employees’ skills as much as they could which limits their maximization of shared value.

This whitepaper will help companies to:

- ▶ Build the business case for a pro bono program which supports gaining the necessary leadership buy-in.
- ▶ Learn best practices from existing programs at other

“The prevailing approaches to [Corporate Social Responsibility] are so disconnected from business as to obscure many of the greatest opportunities for companies to benefit society. If, instead, corporations were to analyze their prospects for social responsibility using the same frameworks that guide their core business choices, they would discover that CSR can be much more than a cost, a constraint, or a charitable deed—it can be a source of opportunity, innovation, and competitive advantage.”

— MICHAEL E. PORTER & MARK R. KRAMER  
Harvard Business Review

corporations, offering practical examples and case studies for how to consider designing a pro bono program that will support the company’s strategy and program expectations.

- ▶ Identify and adopt consistent metrics to track progress against business goals, showcase the business value of pro bono to key management stakeholders on an ongoing basis and make strategic, data-driven decisions.

We, at Pro Bono Lab and Taproot, believe strongly that corporate pro bono programs can create business value in many ways. We have identified many outcomes which can improve the human resources practice, enhance corporate reputation and foster innovation.

### BUSINESS DEVELOPMENT MEASUREMENT FRAMEWORK



<sup>1</sup> Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility, *Harvard Business Review*, Michael E. Porter, Mark R. Kramer, 2006.

<sup>2</sup> “Nonprofit Survey: Leveraging Pro Bono Resources”, FTI Consulting and the Taproot Foundation, 2011.

<sup>3</sup> The Corporate Volunteer Program as a Strategic Resource: The Link Grows Stronger, Points of Light Foundation, 1999.

# PRO BONO BUSINESS VALUE OVERVIEW

BUSINESS DRIVERS	BUSINESS IMPACTS	BUSINESS OUTCOMES
HUMAN RESOURCES	Innovative professional development	<ul style="list-style-type: none"> <li>▶ Creates a broader range of training opportunities that efficiently sharpen employees' skills that are directly applicable to the work environment</li> <li>▶ Aids in transitioning employees to new jobs or across divisions within the company to prepare for or ease into retirement</li> <li>▶ Increases opportunities to measure employee performance, including potential to promote outstanding employees</li> </ul>
	Increased employee satisfaction	<ul style="list-style-type: none"> <li>▶ Boosts employees' pride in their own skills and in their company</li> <li>▶ Enhances understanding and commitment to the company's culture and values</li> <li>▶ Increases staff motivation resulting in higher productivity and reduced absenteeism</li> <li>▶ Strengthens employee loyalty and advocacy</li> </ul>
	Enhanced recruitment	<ul style="list-style-type: none"> <li>▶ Increases attractiveness of the firm to potential recruits and especially Gen Y professionals</li> <li>▶ Unique opportunities to engage non-employee participants in pro bono projects, creating recognition for the company</li> </ul>
	More inter-connected workplace	<ul style="list-style-type: none"> <li>▶ Fosters cross-functional communication across the company</li> <li>▶ Deepens teamwork and collaboration skills</li> <li>▶ Improves relationships between employees and line or HR managers</li> <li>▶ Employees gain broader visibility within the company</li> </ul>
REPUTATION	Improved public relations	<ul style="list-style-type: none"> <li>▶ Increases visibility and brand recognition</li> <li>▶ Enhances positive perceptions of companies with innovative and impactful Corporate Social Responsibility strategy</li> <li>▶ Employees and partners are empowered as brand ambassadors</li> <li>▶ Effective public press mentions, at minimal incremental marketing costs</li> </ul>
	Stronger relationships and network	<ul style="list-style-type: none"> <li>▶ Strengthens, non-transactional relationships with priority stakeholders such as clients, business or community partners</li> <li>▶ Heightens visibility of the company's expertise</li> <li>▶ Generates business development opportunities</li> </ul>
	Sustained license to operate	<ul style="list-style-type: none"> <li>▶ Reduces exposure to risks such as public criticism or negative government decisions</li> <li>▶ Increases stakeholder support for the company during possible periods of controversy or negative PR</li> </ul>
INNOVATION	Fostered climate of innovation	<ul style="list-style-type: none"> <li>▶ Stimulates employees' creativity, productivity and commitment</li> <li>▶ Fosters new ways of thinking and an entrepreneurial culture</li> </ul>
	New or improved products	<ul style="list-style-type: none"> <li>▶ New services and products developed to meet social needs that can then be ultimately sold commercially</li> <li>▶ Improves existing products that integrate the end-user innovations generated on pro bono projects</li> </ul>
	New markets or enhanced penetration	<ul style="list-style-type: none"> <li>▶ Improves understanding of the challenges, priorities, and large unmet needs of new markets and niches to be served</li> <li>▶ Broadens geographic presence or/and reach clients that are not currently served by the company such as nonprofits or small companies</li> </ul>

A woman with long, dark, wavy hair is smiling and looking towards the camera. She is wearing a black, short-sleeved, ribbed blazer over a dark top and a red, textured necktie. A small yellow pin is visible on the tie. The background shows a modern cityscape with tall buildings and green trees under a clear blue sky. A teal banner is overlaid at the bottom of the image.

# THE MEASURABLE BUSINESS BENEFITS OF PRO BONO

## HUMAN RESOURCES: INNOVATIVE PROFESSIONAL DEVELOPMENT

Pro bono can be leveraged as an innovative, attractive, and cost-effective professional development program. Pro bono programs can sharpen specific hard skills that are directly applicable to the work environment and develop a broad range of soft skills that improve an employee's personal, management, and business effectiveness. While employees are given an opportunity to showcase their skills and get noticed by peers or senior executives, management may also seek to identify and promote high performers or reassign highly skilled but poorly matched employees. Pro bono service also enables staff to better deal with changes in their employment situation, to prepare for or ease into retirement, and to maintain their particular skill sets, which they may not otherwise have a chance to use in their day-to-day jobs.

### RESEARCH FINDINGS

- ▶ 91 percent of surveyed corporate human resources executives believe that pro bono service would add value to training and development programs, and 90 percent agree that contributing business skills and expertise to a nonprofit can be an effective way to develop leadership skills.<sup>4</sup>
- ▶ A third of employee respondents cite improvement in multiple skills areas, including communication, networking, problem-solving, leadership, team-building, presentation skills, organization and time management, negotiation, and decision-making. This list has also been corroborated by management, with 75 percent reporting leadership development as a result of pro bono service.<sup>5</sup>
- ▶ Pro bono service is an effective way to train and develop employees who want to be self-directing, to tap into their previous experiences, and to complete real-life tasks and problems.<sup>6</sup>
- ▶ Using pro bono to develop the leadership skills of high potential employees service can be less expensive than recruiting new executives or providing traditional training.<sup>7</sup>

### CORPORATE BEST PRACTICE

GlaxoSmithKline's PULSE Volunteer Partnership is designed to develop three unique skills: thinking flexibly, building relationships and enabling/driving change. The company views these three skills as part of a critical set of skills required for its future leaders. Prior to departure to the nonprofit organization site, the selected PULSE Volunteers and their line managers receive training and set specific measurable development and service goals in conjunction with their nonprofit supervising managers. In addition, with the 50 to 100 volunteers departing for as long as six months to work on their projects overseas, their co-workers at home need to step up to cover the volunteers' responsibilities – a process that greatly expands the significance of PULSE to include many more GSK employees, who gain valuable skills in doing more with less while enabling their co-workers to go abroad. Simultaneously, this helps build employee morale and unity across the company.

### METRICS

- Percentage of employee skill development relevant to regular work (self-assessed and observed by link management)
- Performance and cost of pro bono service compared to performance and cost of training and development programs

<sup>4</sup> Volunteer IMPACT Survey, Deloitte & Touche USA LLP, 2007.

<sup>5</sup> Pro Bono Volunteering Research Report, LBG Associates, 2009.

<sup>6</sup> Adult learning theory, Points of Light Institute, adapted from Adult learning, The ASTD training and development handbook, M. Knowles, 1996.

<sup>7</sup> Valuing Employee Community Involvement, Practical Guidance on Measuring the Business Benefits from Employee Involvement in the Community, The Corporate Citizenship Company, 1998.

“Our volunteers return with greater focus on the patient; they return as leaders with greater passion, energy, confidence, creativity, gratitude and practical knowledge of how to do more with less.”

— AHSIYA POSNER MENCIN  
Director, PULSE Volunteer Partnership, GlaxoSmithKline

## HUMAN RESOURCES: IMPROVED EMPLOYEE SATISFACTION

Pro bono boosts employees' pride and increases staff engagement and job satisfaction. Because pro bono enables employees to use their skills to give back, they not only feel better about their jobs, but also are proud knowing that their unique professional skills had a direct impact on their communities. They gain a better understanding of their company's core values and how those values play a critical role in making a difference, which make employees more likely to embrace the corporate culture. Subsequent business benefits include stronger employee loyalty and advocacy, improved productivity, and reduced turnover and absenteeism costs.

### RESEARCH FINDINGS

- ▶ A company's support of employee volunteering is a key driver in directly influencing employees' feelings about their jobs, more so than cash or in-kind donations.<sup>8</sup>
- ▶ Hewitt Associates has identified six components of employees' intellectual and emotional engagement. Of these, five (people, work and value, opportunities, quality of life, total rewards) stand to benefit from a well-supported pro bono program.<sup>9</sup>
- ▶ Losing an employee, especially a high performing one, can be incredibly expensive. A Cornell University study estimates that the financial impact of losing an employee can be between 50-150 percent of the annual salary of the position.<sup>10</sup>

<sup>8</sup> Walking the Talk, A Case Study of the BD Employee Volunteer Partnership Program in Zambia, The Corporate Citizenship Company, 2006.

<sup>9</sup> Walker Information, Zadek & Weiser, Conversations with Disbelievers, 2000 (2400 respondents from 50+ employees companies).

<sup>10</sup> The Pro Bono Business Case, Taproot Foundation, 2006.

<sup>11</sup> Walking the Talk, A Case Study of the BD Employee Volunteer Partnership Program in Zambia, The Corporate Citizenship Company, 2006.

### CORPORATE BEST PRACTICE

"Helping all people live healthy lives" is the mission of global medical technology company BD. "But without examples, such commitments can easily become empty words," notices the Corporate Citizenship Company.<sup>11</sup> Facing this challenge, BD designed a loaned employee pro bono program to give employees a way to participate in pursuing the company's *raison d'être*. By sending employees away to improve the quality of health care services in medically underserved regions, BD brought the company's values to life. Post-project research shows employees are more likely to stay with the company and to recommend it to others. They reported "a new sense of purpose in their positions and for BD products, as well as a renewed pride in the company." BD also observed an extremely high level of awareness about the project within the company. "I have worked for other companies with strong corporate values, but I have not felt it the way you feel it at BD. This project has brought the 'passion for caring' down to a common level for BD associates in a way that very few initiatives could do," claims a BD associate.

### METRICS

- Percentage of employees aware of the program
- Percentage of employees mentioning the program among top factors for staying with the company
- Perception of work/life balance of participants compared to non-participants
- Percentage of increased productivity (self-assessed and observed by line-management)
- Compared absenteeism and turnover rates of employees who are aware/participating to those who are not
- Compared cost of the program to cost of losing employees that could have been retained

"I now look at the company in a very different way. This is a company saying that it's going to be a great company...I didn't buy into it before, and now I do."

"I am so fortunate to work for a company that makes products that make such a difference to our customers — they literally change the way they live."

— BD CORPORATE VOLUNTEERS

## HUMAN RESOURCES: ENHANCED RECRUITMENT

Job seekers, and especially Gen Y professionals, are sensitive to corporate citizenship and are more likely to work for a corporation that allows them to donate their time and skills. And, they are more likely to recommend it to their peers. Pro bono promotes good corporate citizenship through high community impact and the effective leveraging of its employees' unique skills within those very same communities. In addition, a well-designed pro bono program open to non-employee participants can attract and engage talented, like-minded potential recruits. Leveraging these benefits during recruitment, however, requires a well-thought out communication strategy for applicants and new recruits.

### RESEARCH FINDINGS

- ▶ In a competitive labor market, core variables like compensation tend to become commoditized, and differentiation often relies on more qualitative factors like people and values.<sup>13</sup>
- ▶ 81 percent of Americans take into consideration a company's commitment to a social issue when deciding where to work.<sup>14</sup>
- ▶ 62 percent of Gen Y volunteers would prefer to work for a company that provides opportunities to apply their skills to benefit nonprofits. 66 percent of respondents say their company's volunteering program was not discussed at all during their hiring process.<sup>15</sup>
- ▶ 88 percent of Fidelity Investments' volunteering program participants said their pro bono experiences make them feel more inclined to recommend their company as a great place to work.<sup>16</sup>

### CORPORATE BEST PRACTICE

The Nerdery's "Overnight Website Challenge" is a 24-hour Web development marathon. They engage their own employees but also proactively recruit other Web developers from the local community. These outside developers constitute close to 50 percent of total participants. The Nerdery sees this external help as a boost to their internal recruitment efforts by exposing the company's culture every year to new potential employees. They are friends, family, clients, ex-colleagues, or just willing volunteers, who get a great opportunity to build unique relationships with employees at The Nerdery.

### METRICS

- Percentage of job applicants mentioning the pro bono program during job interviews
- Percentage of pro bono projects resulting in new recruits or new recruiting leads
- Cost/performance of the program as compared to cost/performance of traditional recruitment efforts
- Percentage of new recruits aware of the program after a few weeks within the company

<sup>12</sup> The Summit on Corporate Volunteerism: Toward a New Definition of Pro Bono, The President's Council on Service and Civic Participation, 2008.

<sup>13</sup> The Pro Bono Business Case, The Taproot Foundation, 2006.

<sup>14</sup> Corporate Citizenship Study, Cone, 2004.

<sup>15</sup> Volunteer IMPACT Survey, Deloitte & Touche USA LLP, 2007.

<sup>16</sup> Fidelity Investments Employee Survey, Common Impact, 2011.

"Monitor feels its relationship with [its nonprofit partner] New Profit gives it a recruitment edge as 'a company with a real conscience and also a company that does things in innovative ways.'" <sup>12</sup>

— BILL McCLEMENTS  
Partner, Monitor Group

## HUMAN RESOURCES: MORE INTER-CONNECTED WORKPLACE

Pro bono is proven to foster internal communication and enhance teamwork skills when projects are performed in teams. Employees can be staffed with colleagues who are not normally in their working group, which allows them to tap into broader contacts within the company. As a result of these pro bono initiatives, employees experience increased networking opportunities, leading to reports of increased collaboration across divisions and wider visibility within the company. Pro bono eventually deepens the strength of relationships laterally across business units and vertically between employees and line managers or into senior leadership. Pro bono programs can particularly support the establishment of a new corporate culture after a merger/acquisition by connecting people around common values.

### RESEARCH FINDINGS

- ▶ Pro bono projects and recognition events give employees the opportunity to get to know each other in a positive way and instill a sense of pride in the company.<sup>17</sup>
- ▶ 82 percent of Fidelity Investments participants report better teamwork skills.
- ▶ Employees are more connected to each other as a result of pro bono projects. 90 percent of participants say that they met new colleagues through their Common Impact pro bono experience.<sup>18</sup>

### CORPORATE BEST PRACTICE

Microsoft's unique Loaned Executive program enables employees from across all segments of the company to work in the Community Affairs department full-time for a period of four months, coordinating and running Microsoft's annual giving campaign for local charities. In 2010, the campaign raised \$49 million from employees alone by engaging with Microsoft's 50,000 U.S.-based employees. With Microsoft's corporate dollar-for-dollar matching program, the company and its employees collectively raised \$96 million for local charities and nonprofit organizations. Participating employees get unparalleled opportunities to meet with thousands of their fellow employees, including many senior Microsoft executives. These meetings and networking opportunities have led to enhanced cooperation among Microsoft's employees and has improved the overall flow of information across product teams.

### METRICS

- Percentage of employees indicating an expanded network or improved visibility within the company
- Percentage of managers who observed improved teamwork as a result of pro bono service

<sup>17</sup> Making the Business Case for Pro Bono, The Pro Bono Institute, 2000  
<sup>18</sup> Common Impact, 2011

"[Through the program] I had one-on-one time with the COO of Microsoft, Kevin Turner—an opportunity I would have never had without it. I also had a chance to work directly with our CIO. This opportunity removed the mystique around our most senior exec management. I have been able to approach senior executives with new business ideas much more comfortably and confidently."

"With the incredible exposure to other teams across the company, it gave me a much more detailed understanding of our overall business strategy. That in turn gave me a better understanding of where our group fits in, how to communicate that to others in a meaningful way, and help drive an increasingly improved customer experience."

— TOM MORAN  
Microsoft Loaned Executive

## REPUTATION: ENHANCED BRAND AND PUBLIC RELATIONS

Pro bono is an effective way of generating positive public relations and showcasing the company's unique expertise. While pro bono projects provide unique and compelling stories that allow corporations to speak up and benefit from free media coverage, they also leverage employees, partners, and opinion leaders as brand ambassadors. Companies running pro bono programs are able to maintain positive perceptions and achieve recognition for having an innovative and impactful community involvement strategy. Subsequent benefits include both an increase in the willingness of customers to pay premium prices and enhanced power in negotiations.

### RESEARCH FINDINGS

- ▶ Corporate responsibility is a leading driver of public perception and reputation. CSR (31 percent of respondents) is second only to Products and Services (34 percent) in determining corporate reputation drivers, ahead of Business Operations (26 percent).<sup>19</sup>
- ▶ Publicity garnered from pro bono activities is less likely to be viewed as self-serving than traditional advertising.<sup>20</sup>
- ▶ 64 percent of executives say that corporate citizenship produces a tangible contribution to the bottom line. At large companies, 84 percent of executives see direct bottom-line benefits.<sup>21</sup>
- ▶ 86 percent of Americans say they are likely to switch from one brand to another that is about the same in price and quality if the other brand is associated with a social/community cause.<sup>22</sup>

<sup>19</sup> APCO meta-analysis of reputation models for 20 leading Fortune 100 companies, "How do you communicate on your Employee Volunteering Program" workshop, NCVS, 2011.

<sup>20</sup> Making the Business Case for Pro Bono, The Pro Bono Institute, 2000.

<sup>21</sup> Center for Corporate Citizenship at Boston College and Business Civic Leadership Center, 2005.

<sup>22</sup> The 2004 Cone Corporate Citizenship Study.

### CORPORATE BEST PRACTICE

UPS garnered 6.1 million media impressions following its response to the Japanese earthquake (see press release excerpt below). By dedicating its own resources and personnel, UPS built on its existing reputation as a 'global corporate citizen' and enhanced its image among its customers and employees for going above and beyond their competitors and other large corporations in response to this tragic situation.

For smaller companies, pro bono can also prove to be a crucial driver in garnering a positive reputation. In 2010, almost 20 percent of The Nerderly press mentions focused on The Overnight Web Challenge – the company's pro bono program – and 100 percent of press releases mentioned the event. As the CreateAthon pro bono marathon model spreads on a national level, the ad agency Riggs Partners has gained the reputation as the founder and trademark-owner of the concept. Recently, the small agency was contacted by the Discovery Channel to help develop its own program.

### METRICS

- Change in reputation rankings, recent awards and recognition garnered
- Number of press mentions and media impressions and the advertising value of this free media coverage (i.e., cost the company would have had to pay to obtain the same visibility)
- Number of press releases, blog entries, and social media posts mentioning the program
- Benchmark standing against competitors in the industry
- Percentage of customers citing the program as key to satisfaction or loyalty
- Percentage of revenue generated by top 5 customers with a philanthropic tie

"Following Friday's 8.9 magnitude earthquake in Japan, The UPS Foundation has pledged \$1 million in relief for earthquake victims there. The funds will be used for in-kind transportation of emergency supplies, trained humanitarian logistics personnel, and financial support. UPS is coordinating with its existing relief agency partners, including the Red Cross and the Salvation Army, to determine their needs."

— UPS PRESS RELEASE  
March 14, 2011

## REPUTATION: STRONGER RELATIONSHIPS AND NETWORK

Pro bono can broaden the company's network and help build relationships with strategic stakeholders that indirectly impact the bottom line. A company can design a pro bono program in partnership with opinion-leading community partners or peer organizations that may pave the way for further business-related collaborations. A pro bono program that also involves the company's clients and prospects as volunteers can also strengthen customer relationships and generate new clients.

### RESEARCH FINDINGS

- ▶ Pro bono has the potential to be a powerful model for building non-transactional relationships between a corporation and its clients, vendors, and partners. It builds value-based relationships between employees and their counterparts at other organizations, allows the company to gain insights into the challenges clients face to better meet their expectations, and enables vendors to better understand the company's needs.<sup>24</sup>
- ▶ 84 percent of Deloitte's pro bono projects resulted in significant relationship or exposure gains materially related to new business efforts. 60 percent of Deloitte participants also reported a "new level of client interaction."
- ▶ Pro bono gives companies extensive networking opportunities. For instance, at the Ad Council's Annual Public Service Award Dinner, pro bono partners are recognized for their contributions in front of 1,200 of their peers.<sup>25</sup>

### CORPORATE BEST PRACTICE

For more than 15 years, the design firm Pentagram has supported and maintained strong relationships with strategic community partners in New York. The agency's large pro bono work portfolio includes numerous marketing materials for the Public Theater and the famous awareness campaign advocating for the transformation of the High Line from an unused railroad into an elevated green park. Speaking about the business benefits of pro bono service, Pentagram senior partner Paula Scher claims, "I can't tell you how many jobs I've gotten through [pro bono work with] the Public Theater. We're connected to virtually every cultural organization in the city. We are rewarded in recommendations; we're included in groups where we find out information about things—it's all very good business." In 2008, the agency received the Council on Service Civic Participation Pro Bono Award in front of 150 corporate, government, and nonprofit leaders, convened for the Pro Bono Summit. "Embracing a pro bono approach is good for employees, the community, and the bottom line," says Jean Case, council chair. "Pentagram Design is setting a powerful example of corporate citizenship that we hope other companies will follow."

### METRICS

- Number of partnerships bound with other businesses or public organizations to support the program and percentage of those partnerships that have had an impact on business activity
- Number and value of leads generated and new customers
- Surveys and testimonials from internal stakeholders on key relationships

<sup>23</sup> The Summit on Corporate Volunteerism: Toward a New Definition of Pro Bono, The President's Council on Service and Civic Participation.

<sup>24</sup> The Pro Bono Business Case, The Taproot Foundation, 2006

<sup>25</sup> The Summit on Corporate Volunteerism: Toward a New Definition of Pro Bono, The President's Council on Service and Civic Participation.

"We do it because it's good business... A lot of the work we've done is outside, public, it's very visible, and so clients will call us because they've seen the design."<sup>23</sup>

— PAULA SCHER  
Partner, Pentagram Design, NYC office

## REPUTATION: SUSTAINED LICENSE TO OPERATE

Pro bono helps a company build and maintain its license to operate, defined as a firm's public legitimacy to conduct its activities. A company that over-relies on legal permits to pursue business projects without looking for community approval can be subject to negative government decisions and public criticism or resistance. Conversely, a corporation that builds trust is then able to mitigate such risks and benefit from stakeholder advocacy in a time of controversy.

### RESEARCH FINDINGS

- ▶ 90 percent of survey respondents defined social license to operate as being intangible and a non-permanent measure of ongoing community acceptance of a company's activities.<sup>27</sup> Indeed, a social license is not a piece of paper. It is hard to earn, easy to lose, and extremely difficult to recover once lost. Besides, it implies continuous renewal since it is often granted per project and varies over time and by stakeholder group.
- ▶ Four levels of social license to operate have been identified: rejection (withholding or withdrawal), acceptance (tolerance), approval (agreement), co-ownership (support and advocacy).<sup>28</sup>
- ▶ A well-designed pro bono program directly address the three pillars of a strong social license to operate, which are inclusiveness (listening and responding to community needs), respect (considering and keeping promises), and transparency (acting with principled actions and communicating persistently).<sup>29</sup>

<sup>26</sup> How to earn your social license to operate, Mining Review, Pierre Lassonde.

<sup>27</sup> Waldemar A. Nielsen, 2005.

<sup>28</sup> Measuring the Social License to Operate, ACCSR, R. Boutillier and I. Thomson, 2009.

<sup>29</sup> Ibid.

<sup>30</sup> Volunteering for Impact, FSG, 2007.

### CORPORATE BEST PRACTICE

The Global Fellows Initiative has enabled Pfizer to maintain its license to operate with respect to key stakeholders, including governments and opinion-leading nonprofits in locations where the company operates. Lisa Foster, Pfizer's Director of Global Philanthropy observes, "As fellow after fellow meaningfully contributed their skills and partner organizations began to see their capabilities grow due to the contribution of the Pfizer Global Health Fellow, many of our critics began to look at us with less cynicism and became direct beneficiaries of the program. We could never have predicted the value of this program at the outset or the degree to which it would put a human face on our company. We responded to a critical need in a meaningful way, and it resonated with our employees and those who influence our operating environment."<sup>30</sup>

### METRICS

- Key stakeholders, and especially the local community, government, and opinion leaders' awareness and support for the pro bono program (e.g., letters of support, testimonials regarding experiences with company, public commentary)
- Number of positive local decisions as a result of the program
- Percentage of pro bono recipients who are based in locations where the company conducts business
- Percentage of employees saying they improved their knowledge of the community needs and environment
- Compared approval rates with and without pro bono programs to similar projects, or forecasted "benefit of doubt" in crisis situations

"I cannot stress enough how much good this program has done and continues to do for our NGO partners, our employees, and our business. This program helps us to secure our global license to operate."

— ROBERT MALLET  
Senior Vice President, Pfizer, and President, Pfizer Foundation

"You don't get your social license by going to a government ministry and making an application or simply paying a fee... It requires far more than money to truly become part of the communities in which you operate."<sup>26</sup>

— PIERRE LASSONDE  
Chairman, Franco Nevada Corporation

## INNOVATION: A CLIMATE OF INNOVATION

For most businesses, innovation is critical to their ongoing success. It is easy, however, for employees to get stuck in a rut as they face similar tasks and people every day. By giving employees the opportunity to apply their skills in a different environment for the greater good, pro bono fosters employees' creativity, productivity, and commitment. Pro bono also inspires new ways of thinking, which are often more entrepreneurial.

### RESEARCH FINDINGS

- ▶ Innovation has been described as “the application of knowledge in a novel way.” Pro bono can be a catalyst for finding innovative solutions. It requires employees to apply their skills to a new environment with new people, for new clients and in a different sector, which inevitably brings fresh perspectives within the company.<sup>31</sup>
- ▶ Innovation in Silicon Valley has been partly attributed to the fact that employees in the region switch employers more often than anywhere else. This process of switching jobs frequently prevents skills and thought processes from going dormant and also forces people to constantly check their assumptions. Pro bono service is likely to have a similar effect on employees.<sup>32</sup>
- ▶ 77 percent of Fidelity Investments' pro bono participants reported improved creative thinking due to their pro bono consulting engagements.<sup>33</sup>

### CORPORATE BEST PRACTICE

IBM values innovation that creates social impact while exploring new business opportunities. As a result, employees are more inclined to be creative and see pro bono engagement as a unique opportunity to “learn new ideas, methods, and perspective [they] cannot imagine at the moment,” as highlighted by a Corporate Service Corps participant. This innovation model based on “shared value” seems to be widely accepted by employees who are willing to bring back their knowledge to the company. “It is scratching the surface of some previous unknown and figuring out how to apply that knowledge back at IBM that will make me, this program, and IBM successful. I plan not only to find ways to apply the things I learn to grow in my career, but also to find ways to share what I learn with my colleagues at IBM to help them grow, and hopefully, help us all serve our clients better,” says a former Peace Corps volunteer.<sup>34</sup> IBM reports they are now moving with the rapidity and creativity of a much smaller enterprise.<sup>35</sup>

### METRICS

- Percentage of participants reporting being more creative
- Number of process innovations and new ways of thinking that have been brought back to the company and changed the way employees are working and interacting

<sup>31</sup> The Pro Bono Business Case, The Taproot Foundation, 2006.

<sup>32</sup> Regional Advantage: Culture and Competition in Silicon Valley and Route 128, Anna Lee Saxenian, 1994.

<sup>33</sup> Common Impact, 2011.

<sup>34</sup> IBM's Corporate Service Corps Heading to Six Emerging Countries to Spark Socio-Economic Growth While Developing Global Leaders, IBM press release, March 28, 2008.

<sup>35</sup> SuperCor: How Vanguard Companies Create Innovation, Profits, Growth, and Social Good, Rosabeth Moss Kanter, 2009.

“Our fellows not only provide value for society at large, but also gain global perspectives, new ideas, and skill sets that ultimately inform business innovation—one of Pfizer's core values.”

— ROBERT MALLET  
Senior Vice President, Pfizer and President, Pfizer Foundation

## INNOVATION: NEW OR IMPROVED PRODUCTS

Through pro bono projects, employees gain valuable customer insight and may develop new services and products to meet social needs that can be then added to the company's commercial offering and brought to a broader market. Pro bono also gives an opportunity to improve current products by taking into account volunteers' feedback and by integrating end-user innovations observed on the field.

### RESEARCH FINDINGS

- ▶ Pro bono service allows employees to observe how the company's products and services are used and thus ensure continuous improvement of products. Indeed, many products and services are developed or at least refined, by users.<sup>37</sup> Pro bono projects can help collect and bring these ideas back into the supply network.
- ▶ For companies who serve small businesses, nonprofits, or emerging consumer groups, pro bono service can provide valuable customer insight. Employees are able to roll up their sleeves and work side-by-side with strategic stakeholders, learning about the populations they service and gaining understanding into what it takes to run a small operation.<sup>38</sup> Employees are then more likely to improve or develop products that meet market needs.

### CORPORATE BEST PRACTICE

IBM's recent work in the areas of voice recognition, virtualization, data visualization, data analytics, and cloud computing have all increased their intellectual property and have been embedded in products and services. And what else do these all have in common? These were all initially conceived during pro bono community engagements. The company's work in cloud computing and open source materials have been used extensively during its disaster relief and recovery engagements, including post-earthquake zones in Chile, Japan, and China, as well as post-tsunami in Sri Lanka. Many areas of work from these community responses have been integrated into the company's commercial offerings. In Nigeria, Project Comfort focused on women's health care, in which new products were developed that have now been made mainstream for IBM clients on the commercial end. To date, over a dozen new patents have been applied as a result of the company's community engagement and pro bono work.

### METRICS

- Number and value of new products developed and sold
- Number and market value of new patents developed

<sup>36</sup> Measurement Demystified, The Center for Corporate Citizenship at Boston College, 2001.

<sup>37</sup> The Sources of Innovation, Eric Von Hippel, 1988.

<sup>38</sup> The Pro Bono Business Case, The Taproot Foundation, 2006.

"It's not a question of just taking off-the-shelf solutions or existing technology and turning them over to our partners; it's a question of bringing the best minds and the best technology together to develop new services and new solutions to address critical needs and that can then be made available to a broader range of customers outside of the not-for-profit sector."<sup>36</sup>

— ANN CRAMER  
Director of Corporate Community Relations, IBM

## INNOVATION: NEW MARKET OR ENHANCED MARKET PENETRATION

Pro bono projects allow a company to broaden its reach beyond its existing markets and customer base. For example, pro bono service can help the company reach potential customers such as nonprofits, small companies, social entrepreneurs, or low-income customers and other demographic groups, locally or internationally. Through field-based experience, employees are allowed to not only raise their cross cultural awareness, but also learn to better understand the challenges, priorities, and large unmet needs of new markets and niches to be served.

### RESEARCH FINDINGS

- ▶ The old model of innovation can be ineffective when trying to serve customers from the middle and the bottom of the pyramid. David Etwiler, former Executive Director of Medtronic Foundation, advises to “go into a community and start from scratch by asking the question, ‘What’s not happening here that could happen, and how do we address it?’” Pro bono service can help answer this question by leveraging the company’s expertise to solve social issues.<sup>40</sup>
- ▶ Through pro bono, employees are able to roll up their sleeves and work side-by-side with nonprofit leaders and understand what it takes to run a small operation (nonprofit or for-profit) as well as learn about the populations they serve.<sup>41</sup>
- ▶ The need for greater cross-cultural awareness is heightened in our global economies. Cross-cultural differences in matters such as language, etiquette, non-verbal communication, norms, and values can, do, and will lead to cross-cultural blunders.<sup>42</sup>

### CORPORATE BEST PRACTICE

IBM’s community programs have helped the company broaden its geographic scope by penetrating into new markets in multiple continents, serving countries as diverse as Ghana, Romania, and Indonesia. By supporting the development of small and medium enterprises across the globe, Corporate Service Corps (CSC) members contribute to growing IBM’s knowledge of the socio-economic conditions and business practices in emerging markets. Employees are sent to the same countries each year, which allow for both greater social impact and consistent business insights. “Now, hundreds of IBMers from anywhere in the world can take direct action on the world’s most pressing problems, experiencing the satisfaction [of their CSC project]. Service Corps members will take that learning back to their countries and translate it how they do business and how they think about the world,” observes Rosabeth M. Kanter, professor at Harvard Business School. “Imagine the cumulative impact, as it ripples through and beyond IBM’s 386,000 people and their work in 170 countries.”<sup>43</sup>

### METRICS

- Percentage of volunteers reporting a better understanding of their community’s needs
- Number and value of new markets entered
- Amount of additional revenues generated

<sup>39</sup> IBM’s Corporate Service Corps Heading to Six Emerging Countries to Spark Socio-Economic Growth While Developing Global Leaders, IBM press release, March 28, 2008.

<sup>40</sup> Q&A Roundtable on Shared Value, moderated by J. Kania and M. Kramer, Stanford Social Innovation Review, 2011.

<sup>41</sup> The Pro Bono Business Case, The Taproot Foundation, 2006.

<sup>42</sup> Cross Cultural Business Blunders, Kwintessential Ltd., 2011.

<sup>43</sup> SuperCor: How Vanguard Companies Create Innovation, Profits, Growth, and Social Good, Rosabeth Moss Kanter, 2009.

“[Through the Corporate Service Corps Program] the IBM volunteers will learn an enormous amount about how business is done in these countries and the cultural aspects, they also will learn a lot about themselves and how to challenge themselves.”<sup>39</sup>

— MICHAEL LEVETT  
Senior Director and Vice Chairman of the Board, CDC Development Solutions



# **CORPORATE SPOTLIGHT: BEST PRACTICES IN ACTION**



## GLAXOSMITHKLINE - THE PULSE VOLUNTEER PARTNERSHIP PROGRAM

Improving healthcare systems around the world and developing future GSK leaders in the process.

### COMPANY OVERVIEW

GlaxoSmithKline (GSK), a global pharmaceutical, vaccines, and consumer healthcare company headquartered in London, United Kingdom, has a rich history that dates back to the early eighteenth century and today employs over 90,000 people in 114 countries. It has a portfolio of products for major diseases and has a large consumer healthcare division that produces and markets oral healthcare products, nutritional drinks, and over-the-counter medicines.

GSK is known for investing in community partnership programs that seek to improve access to medicine and healthcare. In the developing world, the company provides certain medicines at preferential prices, ensuring the poorest can still benefit from its vaccines and health products. GSK's vaccines have been included in immunization campaigns in 182 countries worldwide, and 1.4 billion vaccine doses were delivered to 179 countries in 2010. GSK believes that business has an important role to play in society and strives to leverage its resources in a way that delivers shared value to communities around the world and business.

“We work as a partner with under-served communities in the developed and developing world supporting programs that are innovative, sustainable and bring real benefit to these communities. We encourage our employees to become involved with deserving causes in their local communities around the globe. We support their time and dedication with various internal programs and opportunities to encourage active employee involvement.”

— GLAXOSMITHKLINE WEB SITE

### PROGRAM OVERVIEW

GlaxoSmithKline's mission of helping people to do more, feel better and live longer is achieved not just through medicines,



vaccines, and consumer products, but also through employee involvement. In 2009, GSK developed the PULSE Volunteer Partnership, a two-year-old leadership development and service program. Since its inception, more than 200 high-performing employees have been sent around the world to volunteer their professional skills and expertise to nonprofit organizations, building solutions and improvements across sectors in healthcare, education and the environment. Employees are given an opportunity to use their professional skills and knowledge during a three- or six-month immersion experience within a non-profit or non-governmental organization (PULSE Partner).

So far PULSE has successfully placed 201 volunteers in 39 different countries with 56 NGOs (PULSE Partners). From Canada to Bolivia, Kenya to China, Haiti to India, PULSE has a global focus contributing to nonprofits and NGOs worldwide. In addition to empowering employees to make a significant impact on communities in need, the immersion assignments support the employees' professional development through leadership growth and skill development.

“A Pulse Volunteer from Pharmaceuticals, UK worked with a non-profit in Sri Lanka for six months to develop a 5-year strategic plan for three of the non-profit's disability resource centers that provides community-based care for people with disabilities in areas hit by the Tsunami in 2004.”

— PULSE IMPACT SUMMARY

## BUSINESS BENEFITS

### HUMAN RESOURCES BENEFITS

GlaxoSmithKline's employment practices are designed to help the company create the right workplace culture in which all GSK employees feel valued, respected, empowered, and inspired. The PULSE program plays an important role in providing employees an opportunity to enhance their leadership and development skills. They are inspired and motivated to bring back what they learn in the field and apply these learnings to the business challenges they face in their jobs back at GSK.

**"I am delighted to have an engaged manager [PULSE Volunteer] who has transformed into an effective leader – a transformation so rapid and wide-ranging that even the best of training interventions may not be able to match!"**

— SHUBHAJIT SEN

Director of Marketing , GlaxoSmithKline, CH India

### FOSTERING INNOVATIVE TRAINING SERVICES

The program is designed to develop three unique skills: flexible thinking, building relationships and enabling/driving change, which GlaxoSmithKline views as three of the six core competencies critical for its future leaders. Prior to departure, the selected PULSE Volunteers and their line managers receive training and set specific, measurable development and service goals in conjunction with their nonprofit supervising managers.

In addition, because there is no back-fill for the employees who leave GSK for a three- or six-month full-time engagement, the PULSE Volunteer Partnership offers a development opportunity for the home team, which must step up and cover the role and responsibilities of the PULSE Volunteer. In this way, PULSE offers a development opportunity for a greater number of employees than just the 50 to 100 Volunteers who go out on a PULSE assignment each year. As one PULSE Volunteer said of her home team's learning experience while she was out of the business for six months, "It was nice for my team not to have the 'big boss' around for a while. They surprised themselves with what they could do and what they could handle on their own."

### INCREASING EMPLOYEE MOTIVATION

GlaxoSmithKline maintains employee motivation for both the PULSE Volunteers and their Home Teams throughout the program by encouraging regular communications between the Volunteer and his/her home team. In this way, line managers and home teams are brought along the

development journey of their PULSE Volunteer – and also, hearing about the good work and service that the Volunteer is doing for people and communities in need helps to keep them motivated to cover that Volunteer's workload for the duration of the assignment. During the PULSE Volunteer's re-entry process, employees are also expected to present their experiences to their co-workers by discussing not only the impact the Volunteer had on the nonprofit partner, but also the impact the experience had on them personally and professionally, as well as the impact and change that they hope to bring back to GSK.

**"It is not an exaggeration to say that many of our PULSE Volunteers return to GSK affirming that their PULSE Assignment was a life-changing experience... New recruits tell us that it is the No. 1 reason why they joined GSK, and current employees...tell us that they just feel good about working for a company that supports a program like PULSE. Our Volunteers return with greater focus on the patient; they return as leaders with greater passion, energy, confidence, creativity, gratitude and practical knowledge of how to do more with less. In its short life in the company, PULSE has already become a big part of what GSK stands for."**

— AHSIYA POSNER MENCIN

Director, PULSE Volunteer Partnership, GlaxoSmithKline

### BROADER VISIBILITY WITHIN GSK

The PULSE program sits within the Center of Excellence for Global Talent, Leadership and Organizational Development, which is housed with GlaxoSmithKline's Human Resources department. It is very clear what the PULSE program offers externally, but GSK also wanted the program's internal benefits to be clear to line managers and senior leadership. Therefore, they have housed PULSE within the HR department, demonstrating that the program raises the bar for talent development for future leaders within the company – a clear form of ROI for all. This is considered to be a powerful way to train future global leaders; to improve employee morale, motivation, and retention; and to recruit the next generation of talent – all while doing some good for communities and societies around the world.

## DELOITTE'S PRO BONO PROGRAM

Deloitte's formal pro bono program delivers high value services to the nonprofit sector while also offering high value business benefits back to the organization.

### COMPANY OVERVIEW

Deloitte<sup>44</sup> is one of the leading professional services organizations in the U.S., providing audit, tax, financial advisory, and consulting services and with nearly 50,000 professionals.

Deloitte's personnel leverage their skills to benefit the community in several ways:

- ▶ Deloitte's overarching community involvement strategy is focused on using its innovative thinking to help people and communities thrive.
- ▶ Employees can be assigned to pro bono engagements, which are staffed and managed in the same way as commercial engagements.
- ▶ Personnel are encouraged to serve on non-profit boards; to date approximately 2,000 non-profit board seats are held by Deloitte personnel.

"Skills-based volunteerism is transforming community involvement in corporate America and opening the door to the idea that corporate community outreach is not just an important driver of social change, but an innovative and effective business strategy."

— EVAN HOCHBERG  
National Director of Community Involvement, Deloitte Services LP

### PROGRAM OVERVIEW

Deloitte has done pro bono work for decades, but prior to 2008, it was not tracked as part of a formal organization-wide program, nor was it linked to a formal organizational goal. In February 2008, when the Corporation for National and Community Service announced "Billion + Change," a federal initiative to encourage American businesses to champion pro bono work, Deloitte responded with a pledge to deliver \$50 million in pro bono services by 2011.

One initial challenge in developing the formal pro bono program was to get all the organization's business units (tax, audit, financial advisory, and consulting) to "buy-in" to the idea that contributing pro bono service is not only good for the community but also good for employees and business. Prior to its launch, dozens of meetings were held with stakeholders at every level to gain insight on how the program could and should be structured, and to generate consensus on key decisions.

"The Citizens Committee of New York City, which mobilizes community resources to improve local quality of life, fields hundreds of project proposals a year. Deloitte helped the organization's leadership build a dynamic dashboard using metrics and scoring criteria to inform the organization's decision-making process so that resources are allocated most effectively."

— COMMUNITY – IT'S OUR BUSINESS: INSIGHTS AND REFLECTIONS ON DOING PRO BONO WORK  
Deloitte LLP, 2011

### PROGRAM DETAILS

In June 2011, Deloitte had delivered nearly 300 projects since the program launched and met its \$50 million goal. Each of Deloitte's business units commits a percentage of their budget to create an annual pro bono fund. The funds are allocated across six pro bono committees (one national, five regional) responsible for managing the investment at the national and regional levels. The program leverages Deloitte's existing client service model and provides supplemental tools to guide strategic project selection.

To be eligible for pro bono support, nonprofits must have an existing relationship with Deloitte through financial support, volunteerism, Deloitte personnel serving on its Board of Directors or Trustees, or a partner, principal or director (PPD) sponsor (advocate for the duration of the engagement). Project applications must be submitted by Deloitte personnel and are vetted by the pro bono committees. The committees assess applications based on key criteria that take into account potential social impact as well as business value.

<sup>44</sup>As used in this document, "Deloitte" means Deloitte LLP and its subsidiaries. Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

## BUSINESS BENEFITS

Deloitte appreciates the connection between achieving social and business outcomes. The potential business value of a pro bono application is estimated upfront. Both during the engagement and afterwards, business benefits are measured through online surveys that are administered to three different stakeholders: project managers, the Deloitte professionals staffed on the engagements and the pro bono clients.

Deloitte's pro bono program has impacted three main business drivers.

### FOSTERING INNOVATIVE PROFESSIONAL DEVELOPMENT

The program provides valuable professional development and networking opportunities for personnel. For many Deloitte professionals, pro bono provides a unique opportunity to demonstrate interpersonal, leadership, teamwork and business skills.

- ▶ 72 percent of Deloitte professionals who worked on pro bono projects gained new skills or experience; key areas of skill development included client interaction, communication, project management, and problem solving.<sup>45</sup>

**“My experience spending six months on a pro bono project was incredibly rewarding both professionally and personally. Being staffed with the full support of Deloitte gave me an invaluable opportunity to bring the same level of commitment, quality and results to an organization that otherwise was not in the position to be a client of Deloitte. In addition, I was able to develop new skills and build relationships that continue to positively influence me today.”**

— NICHOLAS CIRIGNANO

Corporate Finance Manager, Deloitte Financial Advisory Services LLP

### STRENGTHENING RELATIONSHIPS AND NETWORK

Pro bono work enables Deloitte to showcase both its values and capabilities to senior business executives who serve on the boards of the nonprofits Deloitte is supporting. Pro bono work also provides the personnel doing the work with a unique opportunity to build stronger client relationships. According to an employee survey:

- ▶ 84% of pro bono projects resulted in significant client relationship gains.<sup>46</sup>

### ENHANCED BRAND AND PUBLIC RELATIONS

Deloitte is well known for taking a leadership position on the issue of contributing pro bono, and its program demonstrates both the organization's core competencies and its commitment to corporate citizenship. The pro bono program supports the organization's brand promise and enhances its reputation for being socially responsible. Examples of this effort include its *Making A Difference... Differently* documentary series, its publication of *Community – it's our business: Insights and reflections on doing pro bono work* and the many recognitions it has received including those from The White House, Points of Light Foundation, and U.S. Chamber of Commerce. These efforts and others have contributed significantly to building Deloitte's reputation as a leading corporate citizen and leader in the pro bono movement.

<sup>45</sup> Community – it's our business, insights and reflections on doing pro bono work, Deloitte LLP, 2011.

<sup>44</sup> Ibid.

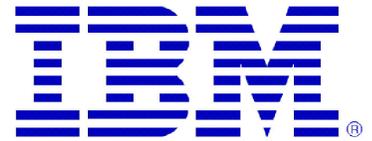
## IBM - CORPORATE SERVICE CORPS & TRAILBLAZER GRANTS

Big Blue's giant commitment to sustained corporate philanthropy and innovation that matters, for the company and for the world.

### COMPANY OVERVIEW

International Business Machines (IBM) is a multinational technology and consulting firm headquartered in Armonk, New York. IBM manufactures and sells computer hardware and software, and it offers infrastructure, hosting, and consulting services in areas ranging from mainframe computers to nanotechnology. The company was founded in 1911 and, in 1924, adopted the name International Business Machines. Today IBM employs more than 425,000 employees, often referred to as "IBMer," in over 200 countries with occupations including scientists, engineers, consultants, and sales professionals.

IBM's distinctive culture and product branding has given it the nickname "Big Blue." In 2010, Interbrand ranked IBM as one of the world's most valuable brands, second only to Coca Cola. Additionally, Ceres and Covalence, two prestigious independent Corporate Social Responsibility (CSR) rating organizations, ranked IBM No. 1 for its work around corporate philanthropy and citizenship.



In 2008, IBM launched the Corporate Service Corps (CSC) to help IBMers enhance the skills needed to lead in a globally integrated enterprise while allowing them to deliver expertise-based service for communities and nonprofits in emerging markets. Teams of IBMers are sent to emerging markets for one month community-based assignments, where they perform community-driven economic development projects that bring together business, technology, and society. The program is a leadership and skills development program that helps to increase participants' cultural awareness and understanding of growth markets while further instilling a sense of social responsibility. CSC has experienced remarkable growth over the last three years with more than 1,200 employees and executives from over 50 countries. They have served on over 110 team assignments in more than 25 countries across Africa, Asia, Latin America, and the former Soviet Republics. With each team's efforts valued at \$250,000, more than \$25 million in support has been provided through CSC assignments to date. In fact, the CSC model has proven so successful that other companies including Dow, Federal Express, and PepsiCo have adopted similar models.

IBM also provides significant support to nonprofits through its Trailblazer Grants. Introduced in 2010, these grants mirror the type of assistance IBM provides to its business clients and allow local nonprofits to tap into IBM's innovation technology and the deep expertise of its employees. Through consulting and technology tools in areas such as project management, strategic planning, social networking, leadership and collaboration, and operational risk assessments, IBM's Trailblazer Grants offer customized assistance to nonprofits that help them reach deeper into their communities and more effectively connect with populations in need. The grants also allow the nonprofits to more efficiently and effectively manage their own organizations. In a pilot phase, the Trailblazer grants were distributed to 30 nonprofit organizations and schools across the U.S. In 2010, 150 groups around the world received grants, and 165 groups are expected to be Trailblazer grant recipients in 2011.

"The IBM technology enabled us to implement our program in 68 countries around the world in only seven months. We're getting valuable visibility from On Demand Community that we can reference with our clients. It demonstrates our company's values, the skills of our people, and the power of our technology, all in a way that is easy for our clients to relate to their own businesses."

— DIANE MELLEY  
Corporate Citizenship Director, IBM

### PROGRAM OVERVIEW

In celebration of its centennial, IBM has deemed 2011 the Celebration of Service, honoring its employees in their commitment to volunteer service. Through the exemplary On Demand Community (ODC) program launched in 2003, more than 170,000 employees and retirees have access to a large volume of volunteer resources and opportunities and have logged more than 11.9 million hours of volunteer service. Recently, IBM launched two pro bono programs as part of the company's community involvement strategy.

"Now, many hundreds of IBMers from anywhere in the world can take direct action on the world's most pressing problems, experiencing the satisfaction [of their CSC project]. Service Corps members will take that learning back to their countries and translate it into how they do business and how they think about the world."

— ROSABETH MOSS KANTER  
Professor, Harvard Business School and Strategist and Author

## BUSINESS BENEFITS

### NEW AND IMPROVED PRODUCTS

Innovation is at the heart of what IBM does. IBM commits \$6 billion each year for research in over 100 research labs around the world and holds more patents than any other U.S.-based technology company. IBM's recent work in the areas of voice recognition, virtualization, data visualization, data analytics, and cloud computing have all increased IBM's intellectual property and have been embedded in products and services. And what else do these all have in common? These were all initially conceived during pro bono community engagements.

The company's work in cloud computing and open source materials have been used extensively during its disaster relief and recovery engagements, including post-earthquake zones in Chile, Japan, and China, as well as post-tsunami in Sri Lanka. Many areas of work from these community responses have been integrated into the company's commercial offerings. Another example is from Nigeria-based CSC team engagements called Project Hope and Project Comfort that focused on women's health care, in which new products were developed that have now been made mainstream for IBM clients on the commercial end.

**"[Through the Corporate Service Corps Program] the IBM volunteers will learn an enormous amount about how business is done in these countries and the cultural aspects, they also will learn a lot about themselves and how to challenge themselves."**

— MICHAEL LEVETT

Senior Director and Vice Chairman of the Board, CDC Development Solutions

### NEW AND ENHANCED MARKET PENETRATION

To date, over a dozen new patents have been granted as a result of the company's community engagement and pro bono work. IBM's community programs have helped the company broaden its geographic scope by penetrating into new markets in Africa (especially Nigeria, Ghana, Kenya, and Tanzania), Eastern Europe (especially Romania), and countries in Asia including Cambodia, Vietnam, and Indonesia.

**"IBM CSC is a triple benefit program producing quantifiable returns for the individual, for the community and for the company measured in its effect on recruitment and retention of top talent, skill enhancement in cultural adaptability and teaming, brand value, the opening of business opportunities in emerging markets and enhanced media coverage."**

— STANLEY S. LITOW

Vice President of Corporate Citizenship & Corporate Affairs, IBM

### ADDITIONAL INVESTORS

IBM's community engagement programs have also impacted the company's social investment ratings. Over the last several years, IBM's No. 1 rating on both Ceres and Covalence has resulted in "buy" recommendations from many additional socially responsible investors, who have increased in their IBM holdings. The company's community involvement is not the only factor that has improved its social investment ratings but is certainly an important component of that ratings outcome.

## THE NERDERY OVERNIGHT WEBSITE CHALLENGE

Web developers frequently stay up all night – but when they do so in the service of nonprofits, all sort of interesting impact happens.

### COMPANY OVERVIEW

In 2003, three Web developers founded the Sierra Bravo Corporation, later renamed to The Nerderly. With growing demand for online solutions, the company grew quickly, expanding to \$16.8 million in revenues and almost 200 employees in two locations by 2010. Beginning in 2007, the company expanded beyond its initial core group of clients to partner with advertising agencies to develop their clients' interactive projects, including Web sites, social media, and mobile apps.

The expanding ranks of “Nerds” employed by The Nerderly has allowed the company to prioritize recruitment and cultivation of its culture. In 2008, the company launched a dedicated Web site to attract Web developers. Simultaneously, the company increased resources to implement and promote the Nerderly Overnight Website Challenge (The Challenge). With its rapid success and the realization of The Challenge, The Nerderly has been featured frequently in the local Minneapolis press and is well-known in the community. Beginning in 2008, the company also appeared in national magazine rankings, such as the Inc. 5000 and Business Journal Fast 50 lists of fastest growing companies.

“Whatever clients want their website to do, we make it work — but this spikes demand for our web development services. With over a hundred programmers on staff, we’re as well-stocked as they come – yet we constantly need more tech talent. We wanted to build our Nerderly brand around what agencies see in us – an unstumpable web partner, ready to manage complex interactive projects on time and on budget.”

— MARK HURLBURT  
Vice President of Marketing, The Nerderly

### PROGRAM OVERVIEW

In 2008, Nerderly Vice President of Marketing Mark Hulburt drew upon on his previous experience in the nonprofit sector and proposed that The Nerderly engage

in a pro bono program. So, with full backing from management, The Nerderly launched its first annual pro bono marathon in 2008. The inaugural Challenge brought together 88 volunteers drawn from company employees and other local Web developers. They formed 11 teams and built Web sites for 11 local nonprofits, resulting in a huge success. The Challenge has grown into an annual event, and by 2011, there were 175 volunteer developers, 45 from The Nerderly, who created Web sites for 18 nonprofits.



Organizing such an event is no easy feat as it takes the four-person marketing team approximately four months to prepare for The Challenge. Even Nerderly employees who are not developers get involved by helping organize and promote the event. On the whole, 75 percent of the employees committed themselves to The Challenge in 2011. In order to participate, Web developers (employee or not) must apply in teams of nine to 10 with a designated captain. Selected nonprofits and teams get to know each other through a speed dating event and are finally paired by judges based on each team's unique skill set and the nonprofit's needs. Teams, however, do not know their selected nonprofit until “D-Day.”

Over the course of the 24-hour marathon, the teams relentlessly strategize, delegate, plan, write code, revise, and finalize their deliverables, all the while fueled by donated food and coffee. At the end of the 24 hour period, four teams are selected by the judges to briefly present their work. A final winning team is awarded top honors and the rights to brag of their achievement until next year's Challenge.

The Nerderly encourages ongoing support for the nonprofits so that they may experience a successful launch and marketing effort for their new Web site. Teams may offer services such as:

- ▶ Education in design and web applications, business analysis, or project management
- ▶ Free Web hosting
- ▶ Digital communications advice

“We’re challenging other designers and programmers to join us in donating a little time to help some worthy Minnesota non-profits build websites that work better and smarter for their causes. ”

—LUKE BUCKLIN  
President, The Nerderly

## BUSINESS BENEFITS

### INCREASING EMPLOYEE MOTIVATION

One of The Nerdery's main goals is to cultivate a workplace where talented Web developers can feel good about their work and where they are allowed to blend work and fun. The nonprofits assisted by The Nerdery are local organizations that directly help people in the very communities where the employees live and work.

Since the marathon suits the way developers do their paid work, which is in the middle of the night and on a tight deadline, The Challenge inspires a culture of "giving back" that supports the business too. And, perhaps above all, The Challenge is a contest, and the winner is bestowed with valid bragging rights – a challenge Web developers cherish.

**"This mentality has helped us to spread leadership and responsibility across the organization, exercising the strengths and passions of the individuals that are best equipped to serve the needs of the company. This mentality also spurred us to create the Web Challenge."**

—LUKE BUCKLIN  
President, The Nerdery

### SUPPORTING RECRUITMENT AND TRAINING

By attracting so many non-employee Web developers – close to 50 percent of total participants – The Challenge is a great way to boost to the company's recruitment efforts. Non-employee participants are friends, family members, clients, ex-colleagues, or just willing volunteers, who get a great opportunity to build unique relationships with The Nerdery's employees in an intense 24-hour period.

Although the data is not tracked, the company affirms that a significant number of recruits have been introduced during these Challenges. Additionally, when job applicants are asked how they discovered The Nerdery, numerous applicants mention The Challenge, and a paragraph on The Challenge is included in all recruiting materials.

The Challenge also helps to develop soft skills. Team development is very organic in that people self-select into certain roles, offering opportunities for some participants to step up and lead teams even though they are more junior or in a role that usually doesn't hold a management position.

**"This is my second year participating and I knew the competition would be the best web-dev talent in Minneapolis. I had to recruit the best."**

— JASON STRIEGEL  
Team captain, invited six agency colleagues and three of his most trusted Web nerd associates, two of them from The Nerdery

### ENHANCING PUBLIC RELATIONS AND NETWORK

The Challenge is a powerful way to promote The Nerdery's corporate culture externally. In 2010, nearly 20 percent of press writing about the Nerdery focused on The Challenge, and 100 percent of the Nerdery's press releases mentioned the event. Blog entries, Tweets, and Facebook postings also often refer to The Challenge.

The Challenge also highlights the company's corporate strategic goals to be considered by business partners as a creative enterprise, one that can do more with fewer resources. Since teams often have clients as team members, The Challenge can strengthen client relationships and/or generate additional leads.

The Nerdery has also won accolades from the local business community. Numerous local businesses partnered with The Nerdery to provide additional resources to the event, creating new relationships between The Nerdery, local businesses, and the nonprofits. From coffee and food to office supplies to their own employees' time, local businesses played a key role in the success of the event.

The Nerdery's advice: consider involving your clients, suppliers or potential recruits in your programs.

## UPS HUMANITARIAN RELIEF EFFORTS

### COMPANY OVERVIEW

UPS is the global leader in logistics, offering a broad range of solutions including the transportation of packages and freight. Founded in 1907 as a private messenger and delivery service in Seattle, WA, UPS today delivers packages each business day for 8.5 million customers and delivers an average of 15.6 million pieces per day worldwide, or a total of 3.94 billion packages in 2010.

Its expertise in delivery and logistics has drawn UPS toward taking the initiative in major disaster relief efforts, such as the earthquakes in Japan and Haiti and the tsunami in Southeast Asia. In collaboration with The UPS Foundation, UPS has dedicated its resources (both financial and in-kind) and its employees to institute disaster-relief programs, among many other UPS philanthropic programs, that directly benefit disaster relief efforts and nonprofits that focus on disaster relief, such as The American Red Cross and CARE.

“The LATs [Logistics Actions Teams] program with the American Red Cross in the U.S. is another component in UPS’s continued commitment to leveraging its people, logistics expertise and global network to provide urgent humanitarian relief all around the world.”

— MYRON GRAY  
Senior Vice President of U.S. Operations, UPS

### PROGRAM OVERVIEW

In partnership with other global logistics providers, Agility, Maersk, and TNT, UPS works with The World Food Program to provide much needed assistance in times of disaster. These logistics competitors have formed a unique collaboration, creating Logistics Emergency Teams (LETs) that consist of teams of skilled employee volunteers, who plan and respond when disaster strikes, as in the case of the earthquakes in Haiti or Japan. The UPS Foundation also contributes additional funding for the transportation (in-kind distribution) and goods needed for relief efforts with some of the world’s leading relief organizations, such as UNICEF, CARE and the American Red Cross.

In addition, UPS leverages its engineering talent and logistics expertise to help nonprofits to design better global supply chains that can more efficiently respond to natural disasters. Currently, UPS has dedicated two full-time senior logistics engineers (one in the U.S. and one in Europe) who work with the American Red Cross, CARE, and UNICEF on a pro bono basis to improve their logistics capabilities. UPS has also contributed in-kind resources and financial grants as-needed to continue to support these initiatives.

“In its review of CARE operations, UPS found that the organization lacked visibility of where its supplies are located worldwide. In response, UPS has helped CARE implement an efficient and low cost tracking software system...”

It’s something that you would think would be normal but it’s not available right now. Not very many nongovernmental organizations have that.

We believe we have a tremendous amount of intellectual capital that can be put to use. We want to be a driving force to help motivate companies and other foundations to look beyond what you’ve always been doing.”

— DALE HERZOG  
Solutions Manager, UPS

## BUSINESS BENEFITS

### IMPROVING PUBLIC RELATIONS

The press release below was picked up by 31 outlets, resulting in 6.1 million impressions on online sites, according to a follow-on third party report. While other companies pledged financial support to the relief of the earthquake in Japan, UPS was unique in its pro bono approach by dedicating its own resources and personnel there by promoting its global logistics capabilities. By responding quickly and generating wide-spread publicity, UPS was thus able to build on its existing reputation as a global corporate citizen and enhance its image among its customers and employees for going above and beyond what other companies were able to do.

“Following Friday’s 8.9 magnitude earthquake in Japan, The UPS Foundation has pledged \$1 million in relief for earthquake victims there. The funds will be used for in-kind transportation of emergency supplies, trained humanitarian logistics personnel, and financial support. UPS is coordinating with its existing relief agency partners, including the Red Cross and the Salvation Army, to determine their needs.”

— UPS PRESS RELEASE

March 14, 2011

### INCREASING EMPLOYEE SATISFACTION AND ENHANCED RECRUITMENT

UPS actively showcases its various employer-of-choice awards on the UPS career Web site, including as one of the Top 10 Most Socially Responsible Companies. UPS’ commitment to sponsoring disaster relief efforts fits within that vein of Corporate Social Responsibility that UPS tries to promote to future recruits and existing employees.

UPS’ decision to pursue humanitarian relief efforts as a philanthropic initiative also demonstrates the company’s desire to have the greatest impact for its volunteers’ time and money. According to a 2008 internal UPS survey, employees picked “I do what I feel will have the most impact” more frequently (36 percent of the time) than any other motivation for participating in volunteer opportunities. In promoting disaster relief as a key volunteer activity, UPS contributes to building a corporate culture that is consistent with employee ideals by allowing employees to do the most good with the skills they already have (i.e., logistics, delivery).

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