



An Australian Government Initiative



THE PRIME MINISTER'S  
COMMUNITY  
BUSINESS  
PARTNERSHIP

# partnering with **community organisations**

a toolkit for small to medium sized businesses

partnering with  
**community  
organisations**

a toolkit for small to medium sized businesses

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# Acknowledgements

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The development of this Toolkit has been informed by:

- >> an extensive literature review that examined small to medium sized enterprises (SMEs) and their partnership activities and initiatives both nationally and internationally;
- >> interviews with, and feedback from, ten SMEs and their community organisation partners; and
- >> a review of a number of 'Partnership Toolkits', most notably:
  - > *The Partnering Toolbook*, written by Ros Tennyson, International Business Leaders Forum;
  - > *Partnerships: Making them Work*, written by The Prime Minister's Community Business Partnership;
  - > *Partnership Planner*, written by Our Community; and
  - > *Partnership Self-Assessment Toolkit*, written by Anna Frearson, East Leeds Primary Care Trust.

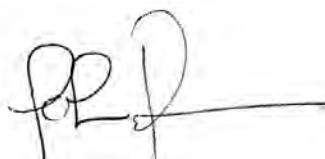
In particular we would like to acknowledge, *The Partnership Toolkit: Tools for Building and Sustaining Partnerships*, written by the Collaboration Roundtable. The content and ideas in this document were particularly informative.

Our greatest appreciation goes to the ten (case study) SMEs and their community organisation partners for the time, cooperation and dedication to sharing their partnership experiences and collective wisdom.

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**Jehan Loza, Director Research**  
Social Compass, July 2007



**John Prince, Director Evaluation**  
Social Compass, July 2007



Social Compass provides research based knowledge and expertise to guide and inform, through evaluation and monitoring techniques, partnership programs for a socially inclusive future. Social Compass conducts research and program evaluations that can deliver the type of innovative solutions necessary for the twenty first century. Our approach is designed to inform future policy and practice for organisations committed to working together across the government, business and community sectors.

For further information please refer to  
[www.socialcompass.com](http://www.socialcompass.com)

## A Partnership...

### A Business Perspective

I see it as a two-way relationship - a thing that is an equal responsibility for two organisations, but it's not one driving the other; they're both working together. It's not just a financial injection. Rather, it's where you work together for some kind of mutual benefit—McGrath Estate Agents.

### A Community Organisation Perspective

Sometimes people from the business sector will see a different way of solving problems. Sometimes they'll have contacts that can solve the problem. Sometimes it's with our infrastructure, where it can be hard for a not-for-profit to set up a process to do something, and that's a way they can help—Youth off the Streets.

# About this Toolkit

Recently there has been an increase in the number of partnerships between the business sector and community organisations. This is because business is recognising that a partnership can have many business and community benefits. Although this trend is positive, many small to medium sized enterprises (SMEs) do not know where to begin and, once in place, maintaining a successful partnership can be difficult.

This Toolkit is written for SMEs that are interested in partnering with community organisations rather than supporting community causes through cheque book giving and/or donations.

The Toolkit provides a simple eight step guide and a corresponding set of tools that will allow SMEs to establish a partnership and secure the benefits of the partnership. Included are case studies of ten SMEs from a range of industries, sizes and locations and with different partnership arrangements and experiences. The case studies aim to provide useful insights into existing partnerships – the implementation process, motivation, successes and challenges - will be of most interest to those businesses just beginning the partnership journey.

No two SMEs or two partnerships are the same. Therefore, the Toolkit is structured to allow for flexibility in approaches so that strategies can be tailored to suit individual organisational needs, requirements and capacities.

**The Toolkit will have its strongest application for:**

- >> Privately-owned and operated businesses with less than 200 employees but more than 20 employees;
- >> subsidiaries and site-based operations of publicly listed companies (with less than 200 employees but more than 20 employees); and
- >> franchisees with more than 20 employees.

The Toolkit may also have some applicability for small businesses (with up to 20 employees) that have the financial and staff resources to enter into a partnership, and for government statutory bodies that have some level of autonomy from government agencies and/or funding bodies, and that operate on business principles.

## Why a Toolkit for small to medium enterprises?

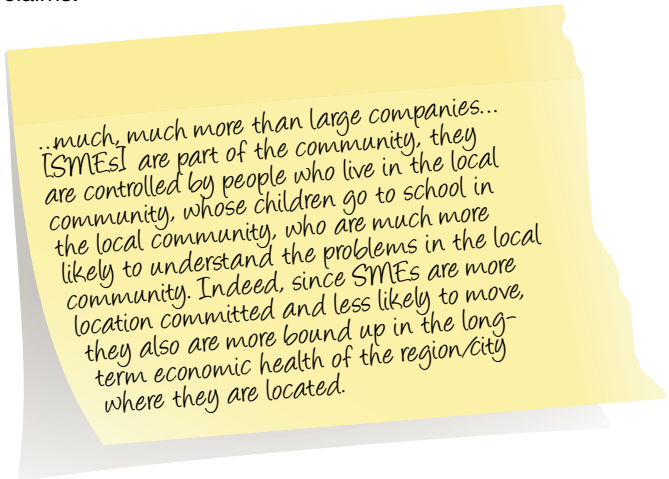
It is generally recognised that the small to medium enterprise (SME) sector, collectively, has as much if not more impact on the economy than the larger companies listed on the leading stock exchanges. For example:

- >> SMEs account for over 95% of all private sector businesses and contribute around 50% of Australia's Gross Domestic Product (GDP) turnover; and
- >> SMEs employ almost 3.6 million Australians totalling 49% of all private sector employment.

But the impact of SMEs is wider than in the economic sphere. In the social sphere, SMEs:

- >> promote freedom of choice for consumers and provide opportunity for entrepreneurial business ideas and development; and
- >> can have positive impacts by providing education and training opportunities to employees and can often provide minority groups, women and young entrepreneurs, with the kinds of opportunities that are unavailable or unattainable in larger corporations.

**SMEs are also closer to their communities.** David Grayson (an expert on SMEs and responsible business) claims:



...much, much more than large companies... [SMEs] are part of the community, they are controlled by people who live in the local community, whose children go to school in the local community, who are much more likely to understand the problems in the local community. Indeed, since SMEs are more location committed and less likely to move, they also are more bound up in the long-term economic health of the region/city where they are located.

# About this Toolkit

Also because of their size, history and geography, SMEs are placed in a unique relationship with the communities in which they operate. They are much closer to their communities and are more dependent on their customers, employees, neighbours and other key stakeholders. Therefore, they are likely to be more attuned and responsive to these stakeholders.

**Community involvement is usually driven by the Owner/Director of the SME. There are a variety of reasons for this, including:**

- >> personal interest and willingness to 'do good';
- >> a desire to implement 'good business practice'; and
- >> giving something back to the local community.

**There are also more strategic reasons for getting involved in the community, including:**

- >> enhancing business reputation and profile;
- >> accessing local community knowledge;
- >> enhancing staff morale and loyalty; and
- >> gaining a competitive advantage by increasing client sales and employee and customer loyalty.

If you are a SME, partnering with a community organisation can be a very effective way for your business to get involved in the community in ways that allow your business to strategically target its contributions of time and money, while gaining many business benefits.

**The Toolkit is structured into four sections:**

- Section 1:** The what and why of community business partnerships;
- Section 2:** Creating a successful partnership;
- Section 3:** Maintaining a successful partnership; and
- Section 4:** Growing the partnership.

## How to use this Toolkit

Everything you need to establish and maintain a successful partnership is included in this Toolkit, but you may not need everything. Most important is that you read the entire Toolkit before you use any of its tools. You will then be able to better understand the processes, benefits, challenges, and potential outcomes. You need to know what you are getting yourself into.

If you are new to the partnership process, you may need to work through all the components and tools in this Toolkit. If you are already in a partnership, some tools will be more relevant to you than others. However, it is likely that you will use different tools at different times, depending on the needs of your business.

The tools are generic and will be of most use if you customise them to meet your specific business circumstances.

# Section One: The what and why of community business partnerships

It is now generally accepted that business sustainability is linked to community sustainability and that without a strong community (characterised by good health, employment, education and inclusion) the businesses in that community will struggle to survive in terms of accessing buying power, employment, loyalty or trust.

Increasingly businesses, both small and large, are entering into partnerships with community organisations for business and community benefit.

*Being a newly established company in a regional area, I think our partnership has reinforced our commitment to the area. It shows our support for the local community.*

– Titanium Enterprises.

*Port Melbourne - it's a changing area. Bookshops have opened there before and never succeeded. We were a new shop, hoping to bring something to not only the business, but bring something more and make great relationships and hopefully build on those. I think certainly the involvement with Gasworks helped us become quickly a part of the local scene, and helped establish links that we may not have had. We were able to meet other people through it.*

– Readings Books Music & Film.

mean that, operationally, franchises and some business units within a multi-national company can actually be operating with reasonable autonomy. The table below illustrates this by using Gloria Jeans and PMI Mortgage Insurance as examples. Both these companies are also included as case studies in this Toolkit.

## A Large Business or SME?

**Gloria Jeans Coffees:** An international speciality coffee retailer and one of the fastest growing franchise operations in the world. Across its 395 franchises and nine company shops, Gloria Jeans Coffees employs around 6,000 full and part-time staff. Franchises are provided with operational assistance and supply arrangements and have to comply with the overall policies, procedures and guidelines of the Company. This includes supporting Gloria Jeans Coffees' overarching partnership with Mercy Ministries. However, each individual franchise employs its own people and operates independently. Many of these franchisees also play an active role in supporting local charitable and community organisations including schools and sporting clubs.

**PMI Mortgage Insurance:** A core subsidiary of a publicly listed US-based parent with worldwide operations. PMI Mortgage Insurance Co in Australia and New Zealand employs 200 staff.

## 1.1 Definitions

### 1.1.1 What is a small to medium sized enterprise (SME)?

Given the diversity of the SME sector (in terms of history, structure, location and industry), there is no clear definition of, or consensus on, what constitutes a small or medium sized business. In fact, how a small, medium or large company is defined in one country is not necessarily the same as in another. SMEs can be defined by annual turnover and/or number of employees. The Australian Bureau of Statistics (ABS) defines a small business as one that employs between 5-19 employees and a medium business between 20 and 199 employees. Large businesses employ over 200 employees. However, the way some companies structure their businesses (e.g. franchises, site-based operations, and subsidiaries) can

### 1.1.2 What is a community organisation?

Community organisations are sometimes known as community associations, voluntary associations, non-government organisations, nonprofits, or not-for-profits. Essentially, community organisations are those organisations that have been established by a group of people with a common interest to deliver a variety of projects, programs and services for the benefit of the communities that they serve. Some of the programs and services offered by community organisations include: providing housing, disability and health projects; youth services; women's and aged-care services. A community organisation can be an association, group or club such as recreational clubs; parent-teacher and neighbourhood associations; and activist and environmental groups. Community organisations generally focus on a community issue/concern that addresses disadvantage or promotes community wellbeing and connection.

There will be many community organisations located close to your business operations.

# Section One: The what and why of community business partnerships

## 1.1.3 What is a community business partnership?

A community business partnership can be defined as:

Where one or more businesses and one or more community organisations, having common goals, agree to work together to share and leverage the strengths, resources, talents and knowledge of each other in ways that benefit both the business and the community.

That is, the sum is often greater than the parts.

*Staff derive a degree of satisfaction from giving something back. There's a feel good factor for the staff that we don't just work for commercial gain, we're doing some good for the community. So I think that it's fairly intangible. We don't measure it, but I know that it's absolutely good! It makes a difference to the community when you say you work pro-bono. Also I've got clients that are really interested in the pro-bono work we are doing with the Trust (The Abused Child Trust). I mean of course the client likes to know that we are giving back to the community. I think it's more something that contributes to our reputation, rather than contributing to bottom line. It's also a brand building exercise for us. When we show new business prospects around, they see we've won lots of creative awards for the Trust which reflects positively on the Agency*

Publicis Mojo.

*The fact that we've got such great marketing behind us with Mojo's support means that more people know who we are, which means more fundraising dollars! They've got a rooftop area that overlooks the city, with beautiful city views, and they gave us that space so that we could launch our national campaign last year. So there are a whole lot of things. As mentioned before, their contacts or suppliers often will give us stuff for free because they put in a good word for us. There are a whole lot of other people who wouldn't ordinarily give us a look-in, but because Mojo's endorsed us, they'll provide discounts or free services*

– Abused Child Trust.

A partnership should be mutually beneficial and can range from a loose agreement to a more substantial arrangement involving multiple activities or multiple partners.

Partnerships can be short or long-term. Partnerships can range from working together to deliver a one-off program (or event) to a longer-term relationship addressing a social cause.

For more details read the two case studies on Readings Books Music & Film.

A partnership includes a combination of the following:

### The business

- >> Developing an employee volunteering/mentoring program;
- >> Offering pro-bono services, skills and expertise to a community organisation partner;
- >> Providing in-kind contributions, including equipment and philanthropy to a community organisation partner;
- >> Allowing access to and use of your facilities and office space;
- >> Offering networking opportunities;
- >> Offering quality work experience and work placements through a community organisation partner;
- >> Supporting fundraising and/or employee payroll giving for a community organisation partner; and/or
- >> Developing, with a community organisation partner, new environmental and/or social products and services.

### The community organisation

- >> Offering networking opportunities;
- >> Offering knowledge of the community and/or advice on how to better operate in the community in which the business is embedded;
- >> Offering skill enhancement through quality staff volunteering activities/events;
- >> Promoting a business partner and the partnership activities through newsletters, websites, community events, etc;
- >> Having a member of a business partner sit on the board; and/or
- >> Developing, with a business partner, new environmental and/or social products and services.

There are two main partnership arrangements:

**Partnership Arrangement 1:** Where business works with the community organisation to provide financial and human resources to help develop and strengthen the organisation; and/or where the community organisation works with the business to raise its awareness and understanding of the community in which it operates.

For more details read the case studies on Publicis Mojo and The Abused Child Trust; and Status Employment Services and Kids Future Kids.

# Section One: The what and why of community business partnerships

**Partnership Arrangement 2:** Where together partners address a social issue. There are a variety of community concern areas. Some of these include:

- >> addressing homelessness;
- >> working with disadvantaged communities, including Indigenous communities, on issues relating to employment, education, health and/or welfare;
- >> working on an environmental issue; and
- >> addressing youth migration in regional areas.

For more details read case studies on Titanium and Caloundra Youth Focus; PMI Mortgage Insurance and Habitat for Humanity; Gloria Jeans Coffees and Mercy Ministries; McGrath Estate Agents and Youth off The Streets; and Readings Books Music & Film and The Brotherhood of St Laurence.

There is no right or wrong partnership. In fact, many partnerships have a combination of both arrangements.

## 1.2 The benefits and risks of community business partnerships

It is important to note that partnerships generally present both a benefit and a risk to both partners.

### 1.2.1 Benefits

A partnership can deliver many internal and external business benefits. For example, it can be an excellent strategy for increasing leadership, communication and teamwork skills in your organisation. It can also enhance your employees' knowledge of local issues. Employee engagement can give staff new insights that can facilitate 'break-through' thinking in both the community and your business. In turn, this can create a competitive advantage for your business while at the same time promoting business brand and reputation in the community.

Internal benefits include:

- >> **Enhancing staff morale, pride and loyalty.** Involvement in a partnership can contribute to employee satisfaction ('feel good') and morale, enhancing loyalty and pride.

#### >> A more skilled workforce.

Involvement in a partnership program can enhance skills such as leadership, communication and teamwork. This is because engagement with the community sector often requires different skills to those used in the business sector.

#### >> Acquiring knowledge of the community.

Community organisations can help businesses better understand community need and 'mood' which, in turn, can inform business operations.

External benefits include:

#### >> A higher community profile.

A partnership is a public demonstration of a businesses commitment to its community. Through the partnership, the community becomes familiar with a business' products and services. This can generate a higher profile for the business.

#### >> Access into new niches and markets.

A partnership with a community organisation can widen a businesses exposure to clients in the community that were previously unknown or accessed. This is because community organisations have the potential to aggregate small markets into larger markets that can become profitable to business.

#### >> Knowledge and product innovation.

Business does not always have all the answers and solutions to the challenges and problems associated with doing business. Partnerships with community organisations allow for innovative thinking and potentially new (and better) products and ways of doing business.

#### >> Expanding networking opportunities and building relations.

A partnership with a community organisation promotes trust in the business sector and builds relationships and alliances.

*It was very fulfilling to be part of such a worthwhile project. It was also a great opportunity to collaborate with team mates on a non-work related activity. I would definitely do it again!*  
– PMI Mortgage Insurance.

*There are benefits to assisting organisations like Kids Future Kids (KFK). It provides us with credibility. The pinnacle thus far of the partnership has been in jointly preparing and submitting a tender with KFK and if we are successful, we will be the lead in the consortium and will be delivering all of the services required through our registered training organisations and, KFK are going to be providing us with clients. The other thing they're going to do is involve their volunteers to act as mentors for these kids*

*Status Employment Services.*

# Section One: The what and why of community business partnerships

## 1.2.2 Risks

Although partnerships can create many benefits, they also present some challenges and risks. Risks are most evident when partners are misaligned in their organisational cultures, priorities and practices.

A poorly thought out partnership can:

- >> lead to the 'wrong' partner being chosen;
- >> create a drain on resources;
- >> create new legal or financial liabilities;
- >> make staff nervous because changes to the organisation are required; and
- >> promote enthusiasm while at the same time creating internal tension.

A poorly managed partnership can:

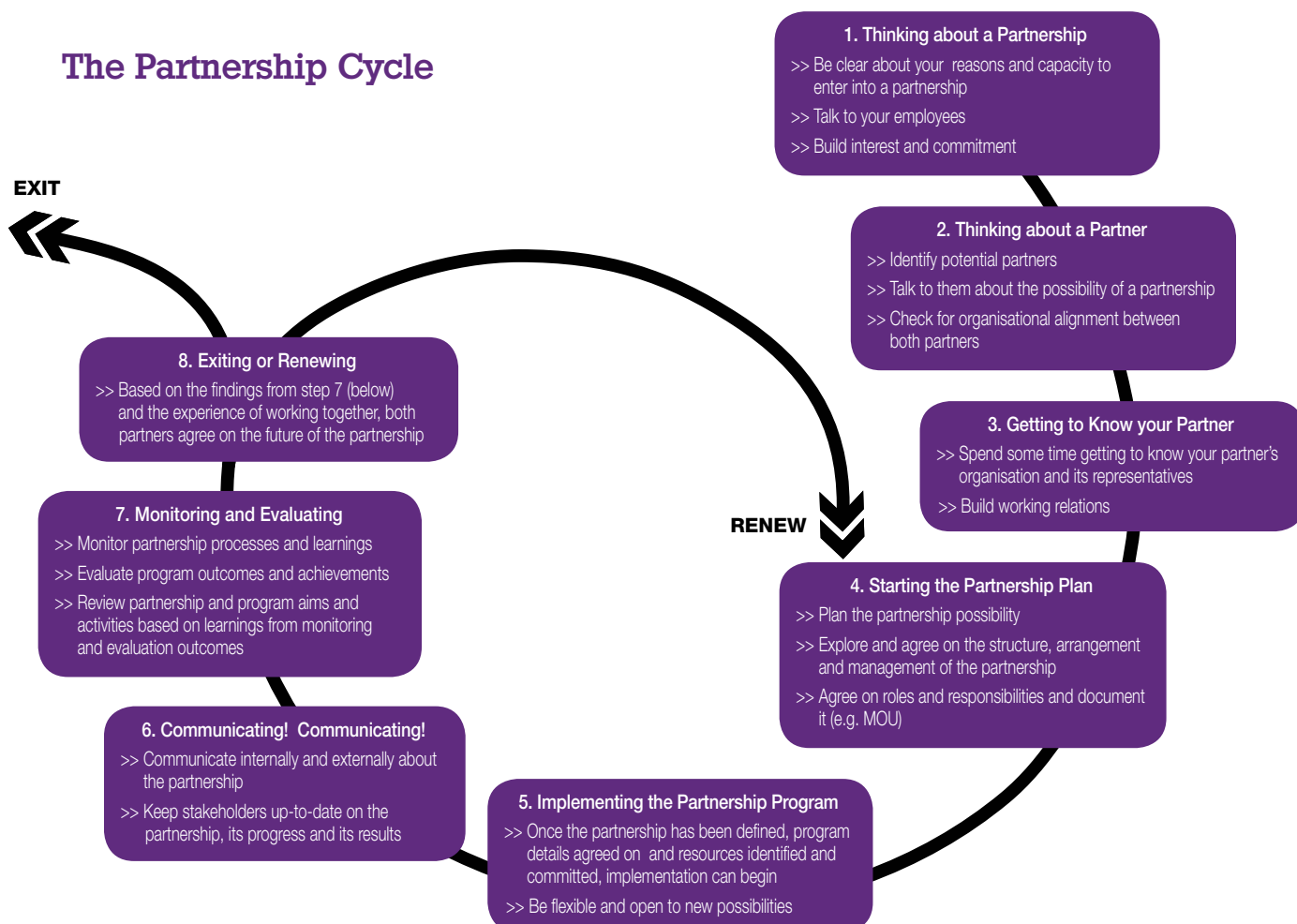
- >> compromise a partner's credibility in the community;

- >> compromise a partner's cultural and organisational values;
- >> cause tension and conflict between partners;
- >> mean some loss of power and autonomy of one or both partners; and
- >> reinforce stereotypes each sector may have of the other.

## 1.3 The partnership cycle

The 'Partnership Cycle' below illustrates the eight steps that will minimise the potential risks and challenges of partnering for your organisation and maximise the benefits and achievements of partnering.

Sections two, three and four of the Toolkit will guide you through these eight simple steps. Remember to read the Toolkit in its entirety before you work through the tools.



## Section Two: Creating a successful partnership

Creating a successful partnership takes time, commitment and energy. The time you spend preparing your organisation and finding the right partner will be saved in the long run by significantly increasing the chances of your partnership succeeding.

Developing a trusting relationship where partners feel that there is mutual benefit from the partnership is the key ingredient to success. Partnerships will have a strong foundation if the right partner is chosen and for the right reasons.

### The Five Golden Partnership Rules

1. Only enter into a partnership if there are perceived beneficial outcomes for both partner organisations.
2. Respect each other's organisational cultures and values.
3. Communicate regularly, openly and honestly and resolve differences as they arise.
4. Acknowledge each other and celebrate your achievements together.
5. Do not lose sight of your partnership aims - why you entered the partnership in the first place and what you hoped to achieve.

Setting up a partnership is similar to beginning a new organisational project or activity. This begins with an internal self-assessment about whether your organisation has the capacity to enter into a partnership and whether your organisation is 'partnership ready'.

### 2.1 Step One: Thinking about a partnership

Before you enter a partnership you need to be clear about the reasons and your organisation's capacity to enter into a partnership. You also need to consider the benefits and risks associated with partnering for your organisation. A positive response to each of the six factors below will indicate that you are 'partnership ready'.

<b>Reason/ purpose</b>	Your organisation has a clear purpose of why it is entering a partnership.  >> Why are you doing it? >> What will you get out of it? >> What can you contribute to it?
<b>Commitment</b>	There is a strong desire within your organisation to enter into a partnership, especially at the most senior level.  >> It is a good idea to get commitment from other (even all) levels in your organisation.
<b>Time</b>	Your organisation is prepared to devote the time necessary to make the partnership work.  >> Your organisation needs to have the time to dedicate to the partnership. If you are stretched to the limit now, you will need to figure out how you can incorporate the additional work. >> Is there a short-term loss for a long-term gain? Can you take/afford a short-term loss?
<b>Welcoming culture</b>	Your organisational culture is welcoming and respectful of new cultures and ideas.  >> Is your organisational culture supportive of cooperation and collaboration? Does it respect and welcome diversity?
<b>Financial capacity</b>	You have considered the financial aspects of partnering.  >> Partnerships may create some additional expenses for your business. Are you prepared for these costs?
<b>Someone with the right skills</b>	You can identify an employee with the right skills to manage the partnership.

## Section Two: Creating a successful partnership

An important aspect of being 'partnership ready' is that you talk to your employees and gain their support. While doing this, identify an employee that has the right skills to manage the partnership. The skills required to manage a successful partnership include:

- >> interpersonal skills;
- >> facilitation and negotiation skills;
- >> communication skills (both written and oral);
- >> organisational skills;
- >> listening skills; and
- >> openness and willingness to learn.

Another important aspect of being 'partnership ready' is that there is interest in, and commitment to, partnering from all levels of your organisation. Suggestions for generating this include:

- >> informally speak to your management and staff (and other stakeholders);
- >> send an email to staff or distribute an internal survey asking employees if they are interested in supporting a community organisation and if so, what cause they would like your business to support – remember though, this may raise a few expectations;
- >> do a presentation to management and staff about why a partnership might be beneficial to your business and its employees;
- >> invite a speaker from another SME to share their experiences of working in a partnership; and
- >> distribute to management and staff one of the case studies in this Toolkit and arrange a discussion to get feedback.



Use Tool 1: Partnership-ready Checklist (Parts A and B) to determine if you have the internal organisational capacity to enter into a partnership and are ready for a partnership.

### Success Ingredient

- >> You can 'see' the potential and you are ready for it.

### 2.2 Step Two: Thinking about a partner

Your partner should be carefully selected based on their vested interest in the partnership and the match between their organisation's culture and business objectives and yours. Often the right partner is found through informal conversations and referrals through your own networks and/or community memberships (e.g. clubs, church, special interest groups, etc).

*They happened to be in the same church – even though the program is not run by the church. I said to my partner, 'this is the program that sits well with our organisation'. We're really female orientated with the flavoured coffee and the style of what we are. The Mercy program cares for girls in a similar age group. They were getting started in Australia and we thought 'we can help'. So there was a lot of synergy. They didn't see it as a give us some money organisation, they saw it as a partnership... We approached them, we sat and talked about it*

Gloria Jeans Coffees.

*We were introduced to Youth Focus late in 2004. Our office is located next to the office of the state member for Caloundra, Mark McArdle, and he knew of Youth Focus and introduced us to them to see if there were any possibilities of, not necessarily a partnership but just some support or assistance from a community perspective. It may have been that our Directors had expressed to him that we were interested in supporting local community organisations. Mr McArdle brought the founder and the manager of Youth Focus to our office and he facilitated a meeting. During that meeting they basically told their story – who they were, what they did, and their current situation. And it just stemmed from there*

- Titanium Enterprises.

It may be necessary to have informal and preliminary discussions with a few potential partners before you find the right partner.

## Section Two: Creating a successful partnership

Good resources to help you find the right partner are:

- >> word of mouth from friends, staff and business associates;
- >> The AusCharity Portal: the site of Australian Charities and major charitable organisations – [www.auscharity.org](http://www.auscharity.org);
- >> Our Community: this website has a community business partnership brokering service for businesses searching for a community partner – [www.ourcommunity.com.au](http://www.ourcommunity.com.au);
- >> peak body organisations (e.g. The Australian Council for Social Services (ACOSS), Pro Bono Australia); and
- >> for a more local community organisation partner, check out your local community directory, or local newspaper.

*We spent probably the best part of two years discussing what we could do, how we could become involved in some type of community partnership. We explored different ideas. We looked at establishing a life learning centre in Adelaide and we got to the point of discussing that with the City of Charles Sturt. They were building a library on Port Road, across from the Entertainment Centre, and we thought it would be a good opportunity to partner with them. That fell apart at the end. So we then thought about how we could establish our own foundation, and one of the ideas we considered was scholarships for under-privileged children, to send them to perhaps private schools or to some sort of mentoring program. In the end we decided that was going to be too difficult without a lot of support structures in place. I then came across the website, Our Community, which I hadn't been to previously and I discovered there was a matching service*

*Status Employment Services.*

Do your homework! Find out who the key players are in your prospective partner organisation and meet with them. Talk to them about the possibility of a partnership and determine if your potential partner has 'got what you need'. This may include:

- >> the skills and competencies that are important to, and complement your business; and
- >> the networks and resources that are important to, and complement your business.

Importantly, you will need to find out if your partner is ready, willing and able to be a partner. Find out if your potential partner:

- >> is respected by its peers and within its community;
- >> has good management and governance structures;
- >> has a stable workforce;
- >> has commitment from senior management; and
- >> can dedicate time and resources to the partnership.

Finally try to gauge if there is alignment between both prospective partner organisations by asking the following questions:

- >> Do both partners have similar interests, values and cultures?
- >> Are both partners willing to share their knowledge and resources?
- >> Are both partners willing to be flexible and learn from each other?
- >> Do both partners share similar visions about partnering?
- >> Can each partner organisation see itself working with the other? and
- >> Would a partnership with this organisation benefit my business and off-set any potential short-term losses or inconveniences?

It is good to involve partners as early as possible. This will help generate a sense of ownership and commitment from both partners from the start. Agreeing to work together is the cornerstone of a partnership. But this agreement is sometimes not shared because it is assumed that both partners are committed. Initially, this commitment is usually expressed by the two partners coming together to support the idea of the partnership. However, to ensure the long-term success of the partnership, the commitment and agreement needs to extend to making the partnership work and that any foreseeable issues and challenges can, and will be, overcome.



Use Tool 2: Finding the Right Partner Checklist.

### Success Ingredients

- >> Partner organisations' visions, values and cultures are aligned.
- >> There is commitment at every level of each partner organisation and at every level of the partnership process.
- >> Partners believe that the partnership is needed and that problems and issues can, and will be, overcome.

## Section Two: Creating a successful partnership

### 2.3 Step Three: Getting to know your partner

When developing a partnership, both partners should reach a common understanding of what the partnership means to them. It is important that, in anticipation of developing the partnership and generating some results, you create the right environment for the people in the partnership to get to know each other and to work well together. Such an environment needs regular communication, trust and respect, and active participation of both partners.

Spend some time getting to know your partner's organisation and its representatives and, where possible, create opportunities for partners to get to know each other. You could:

- >> participate in your partner's community events/ programs;
- >> look at their website;
- >> read their annual report;
- >> have a workshop exploring common aims, values and areas of interest;
- >> get to know some of the people you will be working with in the partnership;
- >> introduce your community partner's representatives to your business – give them a 'tour' of your operations and vice-versa;
- >> be flexible to meet out of business hours in the early stages; and
- >> arrange an informal activity or event to allow key partnership members from both partner organisations to get to know each other.

Building trust and respect can be sensitive and time-consuming, but it is critical to the success of your partnership. Trust and respect are built over time and are won, not demanded.

Be patient! Time is needed for those managing the partnership and other staff to get to know each other. Sometimes during this process, partners that have never worked in the other's sector may be breaking down barriers and stereotypes. This can contribute significantly to building trust and respect for each other's organisations.

Transparency, integrity, and good communication are also essential for building trust and understanding of each other's organisational strengths and constraints. If there are any potential conflict areas, control issues or hidden agendas, bring them out in conversation early and deal with them honestly and sensitively.

### Success Ingredients

- >> Sharing a common understanding.
- >> Honesty, integrity and no hidden agendas.
- >> Respect.
- >> Good communication.

### 2.4 Step Four: Starting the partnership plan

Begin creating the 'partnership possibility' remembering that the partnership should be mutually beneficial. You can do this by:

- >> developing a partnership vision and aims – what do you both want to achieve and/or change?;
- >> sharing a 'wish list' of things that both partners would like in their working relationship with each other;
- >> brainstorming together the things that you both want to achieve;
- >> identifying strengths, weaknesses, skills and resources available across both organisations and matching these with the requirements of the partnership vision and program; and
- >> developing some partnership activities to fulfil your aims.

In the early stages, it is usually better to get some early wins – start with some small achievable tasks until the partnership matures.

*We've actually sent out a questionnaire that covers a whole lot of sectors and categories to say what staff feel that they would like to support. I guess being real estate agents providing homes, the homeless, was something that stood out. We're a fairly young business. The average age of staff is in their early 30's. We have got fairly young people here, so I think that they felt it was an appropriate relationship to have with Youth Off The Streets. It seemed like a good fit.*

*Being in real estate we're also conscious of what we do and if we are down the road clearing a site to put up one hundred apartments and we're about to sell it and make a nice profit out of it, we don't want to be saying 'oh by the way, we've planted trees over here'*

– McGrath Real Estate.



Use Tool 3: Partnership Arrangements to help you plan the type of partnership you want.

## Section Two: Creating a successful partnership

It is a good idea to formally recognise the partnership through a Memorandum of Understanding (MoU) or other signed letter of agreement. An MoU is not legally binding but it will help clarify shared understandings, aims, partnership activities, responsibilities and so on.



A sample partnership agreement is available in Tool 4: Memorandum of Understanding (MoU) – A Partnership Agreement.

At the end of this step you should have agreed on and established:

- >> a shared, clear vision that defines the purpose and aims of the partnership;
- >> the roles and responsibilities of each partner;
- >> the appropriate level of support from each partner and the commitment required from each partner;
- >> the resources that each partner has available and will commit to the partnership;
- >> clear tasks with timelines;
- >> a plan for monitoring and evaluating; and
- >> your exit strategy.

Now stop and review your capacity to deliver!

Launching an activity or event to publicise the partnership is a good way to get your initiative off the ground.

A useful resource to help you and your community partner develop a publicity plan and promote your partnership is the *Promoting Positive Partnerships* online tool, available at [www.mediateam.com.au](http://www.mediateam.com.au). This website has other useful online tools for generating and managing communication and media coverage.

### Success Ingredient

- >> Mutually beneficial outcomes are evident
  - is it a win-win?

## 2.5 Step Five: Implementing the partnership program

Congratulations! You are ready to implement your program. Release the funds, release the human power and enjoy the journey. However, remember that you are dealing with people and most likely some difficult social and/or environmental issues; so anticipate some surprises along the way but do not lose focus of your partnership aims and what you hope to achieve.

### Success Ingredients

- >> Flexibility and openness to new possibilities as they occur. Can the partnership cope with changes in the external environment such as financial instability or changes in community need or priority?
- >> Keep focused on joint aims and achievements.

## Section Three: Maintaining a successful partnership

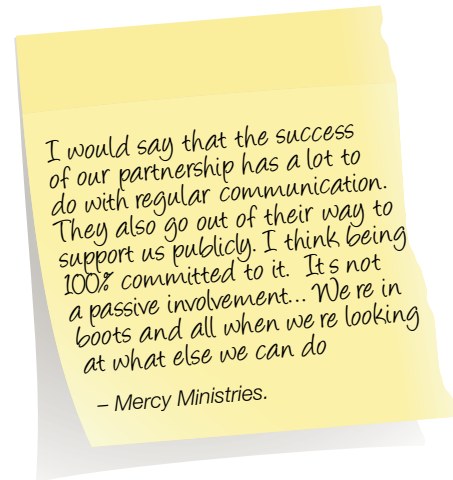
Maintaining a successful partnership requires a lot of commitment by both partners. This is the most difficult phase of your partnership. Likened to a relationship, it is when the courting phase is over, the familiarity and the mundane may over-take, causing partners to take one another for granted, and the relationship to stagnate.

**There are a number of reasons why some partnerships stagnate and eventually fail. These include:**

- >> loss of focus - forgetting the partnership aims and what you hope to achieve;
- >> change of staff and/or change in organisational culture;
- >> changing and varying expectations of partners;
- >> unequal power relationships;
- >> blurred roles and responsibilities;
- >> lack of commitment by one partner;
- >> inability to resolve conflict;
- >> inability to gain interest and a sense of ownership of the partnership across all levels of partner organisations; and
- >> poor information/communication exchange within and outside the partnership.

**This can be avoided by:**

- >> open and regular communication – structure regular meetings (but not too many) into your schedule;
- >> dealing with issues as they arise;
- >> understanding and respecting each other;
- >> respecting and maintaining each others organisational autonomy;
- >> shared understanding of the partnership boundaries (what it does and does not include);
- >> honouring your agreement by delivering on your promises;
- >> acknowledging and thanking your partner for their part in the partnership;
- >> celebrating together the partnership (at least once a year);
- >> admitting and learning from failures and mistakes; and
- >> involving your staff in a fun and meaningful way.



### Success Ingredients

- >> Liking your partner. There has to be chemistry!
- >> Passion and enthusiasm.
- >> Commitment.
- >> Proximity (physical or local) - long distance relationships often fail.

### 3.1 Step Six: Communicating, communicating, communicating!

Every partnership should agree on a plan and process for maintaining effective internal and external communications.

Effective internal communication is a bit like motivating and nurturing good relations with your employees. It requires openness, honesty and direction alongside sensitivity and positive affirmation.

Effective external communication is about keeping your important stakeholders up-to-date with latest developments. It requires open, honest and timely communication.

**Effective communication is important because it:**

- >> keeps partners and stakeholders informed;
- >> maintains trust;
- >> promotes a better and satisfying working relationship;
- >> helps to avoid conflict;
- >> enhances commitment to, and ownership of, the partnership; and
- >> helps you achieve your outcomes and results.

## Section Three: Maintaining a successful partnership

*I think an important ingredient to our partnership is communication and two-way communication. Not just 'we want this and we want that' but 'what can we do together to make this better? How can we improve on this together? We have an annual planning meeting. We have monthly phone conferences, - planning conferences between the organisations*

*PMI Mortgage Insurance.*

Every partnership should develop a formal internal and external communications plan to ensure information is effectively communicated within and about the partnership. When preparing a communications plan begin by:

- >> clarifying the overall purpose of the communication; and
- >> defining what you want your communication to achieve.

**As part of your communications process, you will need to:**

- >> identify a contact person for communication between the partners;
- >> determine what information needs to be shared and with whom. Remember, people are busy so keep the information limited to what is needed and when it is needed;
- >> determine how often information is to be shared (e.g. daily, weekly, monthly); and
- >> identify the most appropriate methods for information sharing (e.g. written communication, reports, emails, face-to-face).

Always document results of meetings (what has been agreed on and what actions are required) and develop a method for getting feedback from all relevant stakeholders (e.g. staff, clients).



Use Tool 5: Effective Communications Template

It is important, too, that your partnership and its activities are communicated externally to your stakeholders. This will keep your stakeholders up-to-date with partnership progress and achievements.

Positive publicity can bring significant benefit and profile to your organisation and your partnership. Alternatively, negative publicity can be damaging to the partnership and/or your organisation's reputation.

Promoting your partnership is important. It provides an opportunity for partners to work together in gathering support for their initiative and for enhancing the profile of the partnership.

Promotion is also important to the partnership because it provides an opportunity for both partners to be recognised for their efforts and contribution.

**Promotions can help:**

- >> the partnership and your organisation gain credibility;
- >> heighten the profile of partners and the partnership;
- >> market the partnership and its program to your stakeholders and/or potential clients (e.g. using good news stories);
- >> gain support from key stakeholders and/or the community;
- >> secure additional support for the project by attracting donors or other partners; and
- >> enhance the perception that your business is doing good in the community.

**Tips for developing effective promotions and publicity:**

- >> identify a 'spokesperson' and a 'spokes partner';
- >> develop a publicity plan that includes an issues management process;
- >> develop a process for obtaining approval from partners on the publicity/promotions, including how partners will be acknowledged and recognised; and
- >> ensure that during promotions and publicity implementation, sensitive issues and confidentiality are respected. When using personal stories and partner 'quotes', get consent first.

## Section Three: Maintaining a successful partnership

Some ways you can promote your partnership internally include:

- >> make sure your staff know about the partnership and are kept up-to-date with its developments. Their word of mouth is your best promotion! Keeping staff up-to-date can also motivate them into participating and supporting the partnership;
- >> use your intranet, website, newsletters and meetings to showcase your partnership activities; and
- >> develop a staff award scheme for 'most community-minded' or 'best partnership supporter'.

Unfortunately, many SMEs involved in partnerships fear that they are boasting if they publicly promote their partnership. This is why, in many cases, it is often the community organisation partner that promotes the partnership. You should encourage your partner to do this. Promoting your partnership will not only build your reputation as a socially responsible business, but it will also inspire and create the imagination of others to develop a partnership.

Some ways you can promote your partnership externally include:

- >> promote the partnership and your partner organisation on your website and in published material;
- >> generate positive publicity through local, regional and/or national media;
- >> inform your customers, suppliers, investors and other stakeholders what you are doing – either verbally or in published material;
- >> enter partnership Awards such as the *Prime Minister's Awards for Excellence in Community Business Partnerships* and/or show case your Award in your offices, advertisements, tenders etc; and
- >> accept invitations to speak about your partnership and attend networking and other events relating to business and community involvement.

A useful resource to help you and your community partner develop a publicity plan and promote your partnership is the *Promoting Positive Partnerships* online tool, available at [www.mediateam.com.au](http://www.mediateam.com.au). This website has other useful online tools for generating and managing communication and media coverage.

### 3.2 Step Seven: Monitoring and evaluating

All partnerships should be monitored and regularly evaluated to see how well they are working, and to ensure that the original focus has been/is being met and that the partnership aims are still relevant. Successes need to be built on and, if any aspect of the partnership is not effective, action should be taken to give renewed vision and focus. It is possible that for a number of reasons, it may not be appropriate for the partnership to continue.

Further, every partnership must have some way of measuring its achievements. All outcomes should be designed to clearly demonstrate when an objective has been completed. Progress should be monitored and regularly reported back to partners. If, for example, all the original aims have been met then this should be celebrated and the partnership brought to an end with recognition of what it has achieved. Alternatively, new aims for the partnership may be set.

Monitoring and evaluating are often missed steps because their importance is generally unrecognised. However, monitoring and evaluation will:

- >> tell you what you are or are not achieving;
- >> assess the progress you have made towards meeting your partnership aims;
- >> identify areas that are important to your partnership program participants;
- >> highlight where weaknesses are in the partnership and its program and signal any potential warning areas before they get out of hand; and
- >> help you to improve your partnership and its program.

Monitoring and evaluating are also important for identifying and documenting learnings and a great mechanism for reporting back successes to employees and stakeholders. But an evaluation can have a more strategic role. An evaluation report, for example, can be used to:

- >> demonstrate the successes of your partnership and its program to your key stakeholders and strengthen their support;
- >> raise your profile and generate community trust and interest in your organisation as a socially responsible business;
- >> support resource allocation decisions and/or leverage resources (e.g. help your community partner gain additional funding);

## Section Three: Maintaining a successful partnership

- >> support partnership changes and refinements;
- >> support current partnership directions;
- >> affirm that your partnership program was implemented as planned and determine if it had the intended achievements;
- >> address any staff/community concern; and
- >> help determine if your partnership has come to an end.

It is important to note that there is a difference between monitoring and evaluating. Monitoring means the process and tools used to account for, check and record the course of your partnership program and its improvements. Evaluation means literally to look at, and judge, the partnership and its program's quality or value based on the evidence you have collected through your monitoring. An evaluation will show you the impacts and outcomes of your partnership.

**Where evaluation is concerned make sure you:**

- >> evaluate the partnership arrangement and relationships on an ongoing basis;
- >> consider monitoring and evaluating from the start of the process, even though it usually appears as one of the final steps. When developing partnership aims at the beginning of the partnership, there should be discussion about intended achievements and how information will be gathered to measure these;
- >> revisit the aims and achievements resulting from the partnership on a yearly basis;
- >> solicit wide input into the evaluation process from all partners and from staff at all levels of each organisation; and
- >> make changes based on the findings of the evaluation.

However, during evaluation, concerns and disappointments can be raised and differences of opinion may be voiced. It is important to have an open process of evaluation where all stakeholders in the partnership can contribute.

Evaluations can be difficult to conduct and many organisations commission independent organisations to undertake the evaluation. This is an excellent means for ensuring independence and objectivity. However, you may not have the resources to do this and, therefore, may need to undertake your own evaluation. If you do, work out the details with your partner, talk to other organisations that have evaluated their partnerships and seek advice.



Use Tool 6: Evaluating the Partnership and its Program will help you plan and implement your evaluation.

You might also want to talk to Social Compass or a similar organisation to help you with your evaluation plan and process, or access more resources (see *Further resources* on page 20).

Make your evaluation a key resource for deciding what the future of your partnership will look like. That is, will you continue with your partnership or should it be brought to an end?

## Section Four: Growing the partnership

Hopefully, your evaluation has identified some significant benefits from the partnership for both partners and some improved community outcomes. Of course, it may have provided evidence that the partnership is not worthwhile for one or both partners.

*He [the previous Director] thought that from a community point of view and from a marketing point of view that it was good to show a relationship between the business and helping underprivileged kids et cetera. I didn't. I didn't see the benefits from an investment point of view or a marketing point of view to help this business. And if I'm going into a partnership I want to have choice in that. I'll make my own decisions. He [previous Director] knew straight away that I wasn't going to continue that partnership*  
- Burns for Blinds.

### 4.1 Step Eight: Exiting or renewing

If the partnership is perceived to be progressing well and a decision has been made to continue, the process of ongoing improvement is simple. Go back to Step Four and start planning the partnership and its aims again. Only this time you will have the findings and recommendations from your evaluation to inform the planning process. But before you do, make sure you acknowledge and celebrate each other's contribution to achieving success.

Partnerships usually come to an end at some time. Most often, they end because they have achieved their aims or have gone as far as they can towards achieving their aims. Occasionally, a partnership ends because the organisations have 'grown apart' and are so different that they simply can no longer work together.

If your partnership has met its aims, then this is the opportunity to exit the partnership. It is critical that in the early discussions of partnership development, both partners discuss the exit strategies for the partnership (and

include it in the partnership agreement) so that when the partnership ends it does so amicably and with a shared understanding. Much more difficult, however, is taking action to end a partnership that is no longer working or that has not met its aims.

When exiting a partnership it is important to make sure that the partnership does not simply fade away and that the partnership is exited in a way that acknowledges the accomplishments of the partnership. This is done by:

- >> identifying the partnership's major achievements and accomplishments;
- >> acknowledging the people and organisations that have contributed to the achievements and accomplishments;
- >> developing a communication plan to ensure that people – both inside and outside the partnership – are informed of the decision to terminate;
- >> documenting and describing the partnership's journey, including any lessons learnt along the way;
- >> selecting a time, place and event to close the partnership by celebrating its achievements; and
- >> releasing a final report.



Use Tool 7: Exiting Partnerships Painlessly.

## Conclusion: A final note

This Toolkit was developed for those SMEs that understand the business and community benefits of partnering with community organisations. If you have reached this point then you are already on the partnership journey - a journey that may prove to be exciting and fun but mostly rewarding to your business.

Sharing your partnership experiences with others is critical for informing a future that works towards business sustainability while enriching the wellbeing of communities. Sharing your partnership stories may prove to be a valuable contribution to this future.

Good luck in achieving your partnership aims.  
May you have many benefits, successes and learnings along the way!

**Community:** refers to a group of people that share common characteristics based on geography, profession, culture, race, religion, or socio-economic background. Communities can be defined by location; race; ethnicity; age; occupation; interest in particular problems or outcomes; or other common bonds.

**Community organisation:** Community organisations are those organisations that have been established by a group of people with a common interest to deliver a variety of projects, programs and services for the benefit of the communities that they serve. Some of the programs and services offered by community organisations include: providing housing, disability and health projects; youth services; women's and aged care services. A community organisation can be an association, group or club such as recreational clubs; parent-teacher and neighbourhood associations; and activist and environmental groups. Community organisations generally focus on a community issue/concern that addresses disadvantage or promotes community wellbeing and connection.

**Evaluation:** to evaluate something means literally to look at, and judge a program's quality or value.

**External communication:** the plan and process for communication by partners about the partnership.

**Internal communication:** the plan and process for communication between partners.

**Memorandum of Understanding (MoU):** is a written agreement or understanding defining how partners will work together. An MoU is an excellent way to formalise your partnership. It can act as a reference point to ensure you are staying on track with the original aims of the partnership. It can be as detailed or as broad as each partner feels comfortable with, but usually an MoU outlines the partnership activities and partner roles and responsibilities. An MoU can also include reporting protocols, how decisions will be made and even the partnership exit strategies.

**Monitoring:** the process and measures used to account for, check and record the course of your partnership program and its improvements.

**Organisational culture:** refers to the beliefs, values and norms that guide how an organisation operates, internally and externally. One organisation's culture may encourage staff to take risks while another promotes caution. Different cultural backgrounds (languages, customs and beliefs) of individuals and groups within the organisation can also be a part of the organisational culture.

**Partnership:** where one or more businesses and one or more community organisations, having common goals, agree to work together to share and leverage the strengths, resources, talents and knowledge of each other in ways that benefit both the business and the community. A partnership should be mutually beneficial.

**Partnership ready:** whereby an internal or external self-assessment defines that an organisation has the capability and capacity to enter into, and maintain a partnership.

**Philanthropic cheque-giving:** a financial donation to a charity of choice with no further involvement.

**Small to medium sized enterprise (SME):** the SME sector is diverse in terms of history, structure, location and industry, making definition difficult. SMEs can be defined by annual turnover and/or number of employees. The Australian Bureau of Statistics (ABS) defines a small business as one that employs between 5-19 employees and a medium business between 20 and 199 employees. However, the way some companies structure their businesses (e.g. franchises, site-based operations, and subsidiaries) can mean that, operationally, franchises and some business units within a multi-national company can actually be operating with reasonable autonomy, as a SME.

**Social responsibility:** refers to the idea that an entity (e.g. state, government, corporation, organisation or individual) has a responsibility to society. For business, social responsibility implies that business has an obligation to give back to society by making decisions and taking actions that are based not only on financial/economic factors (e.g. profits), but also on the immediate and long-term social and environmental consequences of its activities.

**Stakeholder:** any person or organisation that is affected by your business operations and/or that can affect your business operations. Stakeholders can include staff, clients, suppliers, customers, board members and so on.

**Sustainability:** the ability to provide for the needs of the present without compromising the ability of future generations to meet their own needs. When a process is sustainable, it can be carried out over and over without negative social or environmental effects, or high costs to those involved.

## Further resources

Australian Charities, the gateway for information on major Australian charities

**[www.auscharity.org](http://www.auscharity.org)**

Australian Institute of Management, growing management and leadership excellence by supporting, developing, promoting and practising the profession of management at all levels

**[www.aim.com.au](http://www.aim.com.au)**

David Grayson, a useful website containing articles written by David Grayson - a leading expert on SMEs and community engagement

**[www.davidgrayson.net](http://www.davidgrayson.net)**

Media Team Australia, helping community organisations effectively and efficiently communicate their messages and promote their services

**[www.mediateam.com.au](http://www.mediateam.com.au)**

Our Communities, Centre for Community Business Partnerships provides a brokerage service and list of SME consultancies

**[www.ourcommunity.org.au](http://www.ourcommunity.org.au)**

Small Business Journey, an excellent online resource for SMEs which includes guides, case studies and benefits of social responsibility

**[www.smallbusinessjourney.com](http://www.smallbusinessjourney.com)**

Social Compass, for further assistance in developing and maintaining a successful partnership and evaluating partnership programs

**[www.socialcompass.com](http://www.socialcompass.com)**

The Prime Minister's Community Business Partnership, for information on the *Prime Minister's Awards for Excellence in Community Business Partnerships* and other useful information

**[www.partnerships.gov.au](http://www.partnerships.gov.au)**

The Sustainable Business Network, a forum for businesses that are interested in sustainable development practice, containing case studies, tools, and tips for sustainable business practices

**[www.sustainable.org.nz](http://www.sustainable.org.nz)**

