

Deloitte.

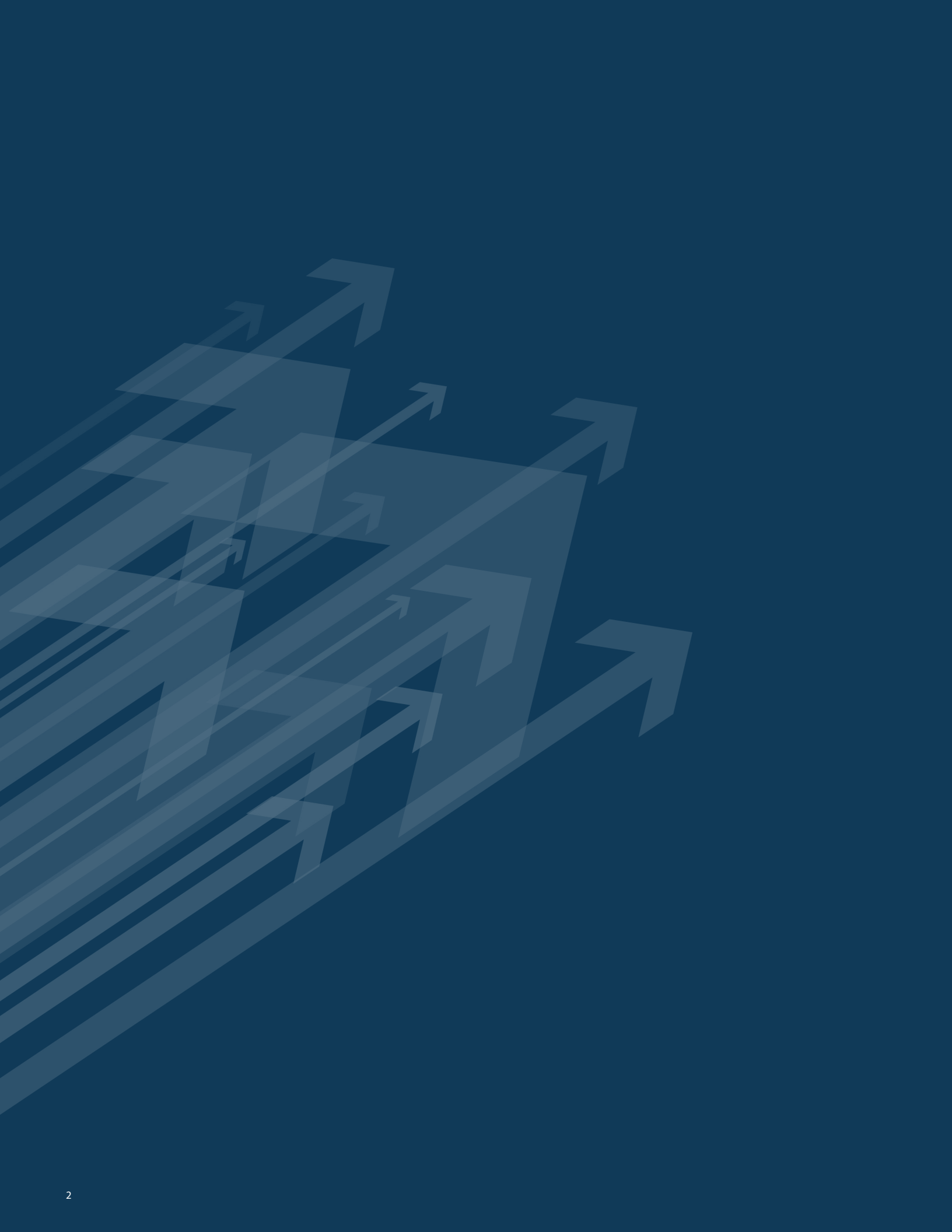
Value Exchange Tool

For building business-nonprofit
partnerships that last



MONITOR INSTITUTE

A part of Deloitte Consulting LLP



For building business-nonprofit partnerships that last

▶ ARE YOU...

A nonprofit or business leader looking for new ways to achieve social impact?

▶ DO YOU WANT TO...

Begin a new business-nonprofit partnership on a strong footing?

Discover how to renew the foundations of an existing business-nonprofit partnership?

▶ ARE YOU WONDERING...

How do I think creatively about the reasons for a nonprofit and a business to partner?

How can I tell if a nonprofit and a business have enough to offer one another?

What opening questions should I ask in measuring the worth of a business-nonprofit partnership?

▶ THE CONCEPT OF VALUE EXCHANGE

Opportunities to partner with other organizations often feel difficult to evaluate for both parties. Since each organization brings a unique mix of resources and capabilities, every potential partnership can feel bespoke. This can be particularly challenging when one party is a business and the other is a nonprofit, and the leadership teams on each side are less certain what value to look for in a partner. Choosing whether and how to partner is made easier by viewing any potential partnership arrangement through the lens of four contributions that an organization might provide: **reach**, **assets**, **reputation**, and **capabilities**. The Value Exchange Tool is a simple method for considering what a partner could potentially contribute, stacking up what a potential partner brings, and representing the value exchange at the heart of the partnership in a single visual.



Value Exchange Tool

What it is

An effective business-nonprofit partnership needs to have a compelling value exchange at its heart, where each partner both gives and receives. That exchange can involve four kinds of contributions by the partners – **Reach**, **Assets**, **Reputation**, and **Capabilities**. Example contributions are offered below.

Contributions of corporate partner

Contributions of nonprofit partner

- Technical expertise to expand and scale operations
- Physical infrastructure to improve distribution and access to remote areas

REACH



How will this exchange open new doors and bring greater scale?

- On-the-ground knowledge of communities and key influencers
- Lower programming and coordination costs through access to volunteer base

- Financial capital more sustainable and secure than traditional grants
- Buying power
- In kind commitments of expertise, people, technology (e.g. advanced software or research databases)

ASSETS



When resources are pooled, what goals are now within reach?

- Community insight and historical knowledge of effective interventions
- Resourceful use of volunteers and public assets (land, schools, etc.)

- Brand awareness and clout that lends credibility about ability to execute efficiently
- Marketing resources to support message-crafting and communications

REPUTATION



In what ways will this boost visibility and enhance perception with stakeholders?

- Public trust that initiative will yield socially impactful results based on organization's track record
- Credibility with groups skeptical of corporate motives

- Specialized skills in their area of work
- Formal training programs that build capacity (e.g. for leadership development or operational skills)
- Industry best practices that promote asset efficiency

CAPABILITIES



What learning opportunities will this present and skills could be deployed?

- Specialized skills in their area of work
- Lower-risk setting for innovation and iterative refinement of a model
- Convening power to foster collaboration among stakeholders

Value Exchange Tool

Worksheet

WHO IS INVOLVED?

Business Partner:

Nonprofit Partner:

WHAT CONTRIBUTIONS CAN THEY PROVIDE?


Business partner

Nonprofit partner

(For example: technical expertise or physical infrastructure)

-
-
-

REACH



How will this exchange open new doors and bring greater scale?

(For example: on-the-ground knowledge or lower programming and coordination costs)

-
-
-

(For example: financial capital, buying power, or in-kind commitments)

-
-

ASSETS



When resources are pooled, what goals are now within reach?

(For example: community insight or resourceful use of volunteers and public assets)

-
-
-

(For example: brand awareness or marketing resources)

-
-
-

REPUTATION



In what ways will this boost visibility and enhance perception with stakeholders?


(For example: public trust or credibility)

-
-
-

(For example: specialized skills, formal training programs, and knowledge of industry best practices)

-
-
-

CAPABILITIES



What learning opportunities will this present and skills could be deployed?

(For example: specialized skills, a lower-risk setting for innovation, and convening power)

-
-
-

WHAT MAKES THE VALUE EXCHANGE COMPELLING?

Business Partner:

Nonprofit Partner:

Value Exchange Tool

The Example of New Profit Inc. and Deloitte

New Profit Inc. (NPI), a leading venture philanthropy fund, and Deloitte Consulting, one of the largest professional services organizations in the world, have a partnership with a decade-long history. Over a 3 year period (FY2012-2014), Deloitte has committed over \$6M in pro-bono consulting services to New Profit and its portfolio organizations – extending \$36M in pro-bono consulting services provided over the prior decade.

Contributions of Deloitte Consulting

Contributions of New Profit Inc. (NPI)



WHAT MAKES THE VALUE EXCHANGE COMPELLING?

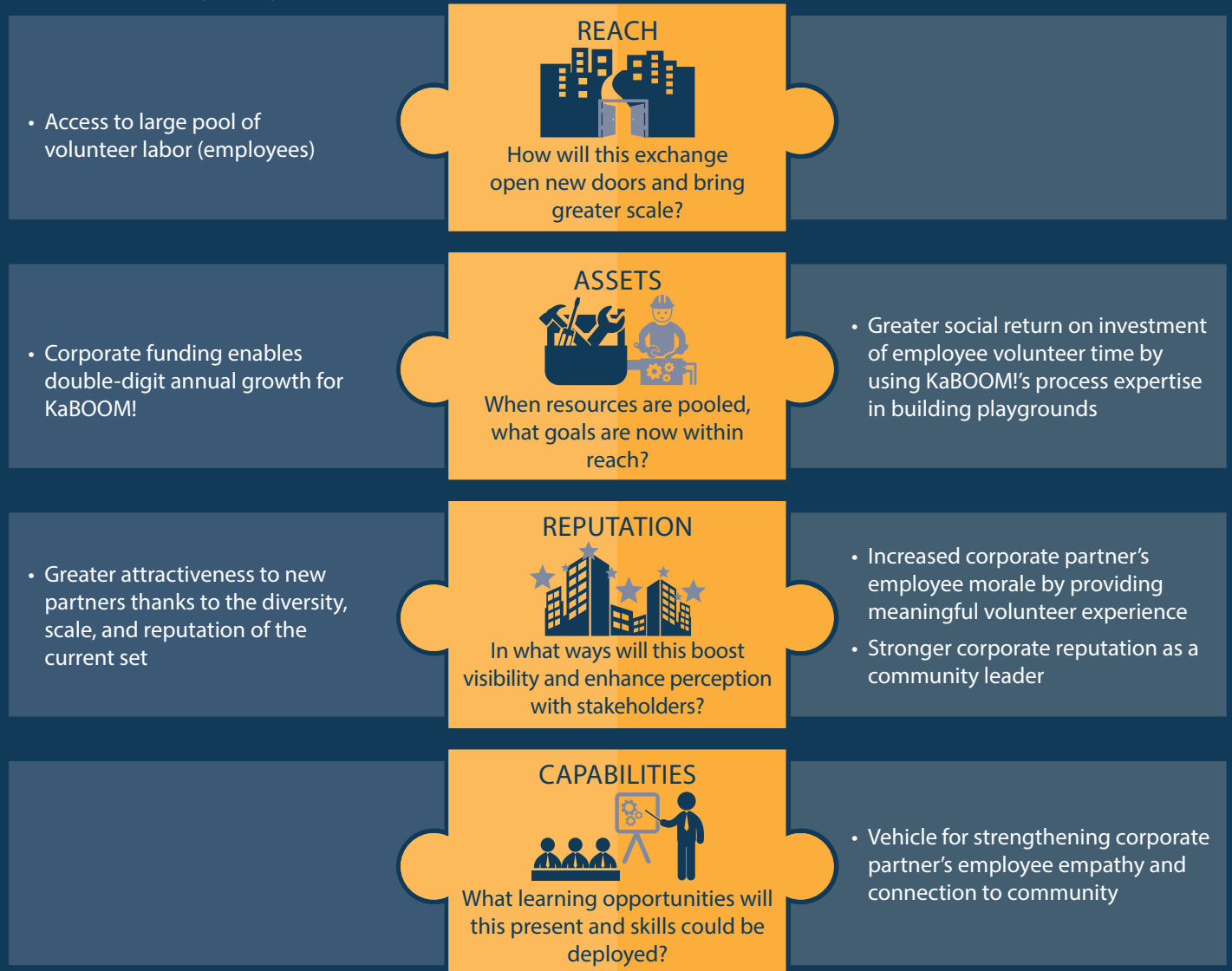
New Profit and Deloitte both benefit in equal measure from their partnership, but in different kinds of value – in essence, Deloitte contributes expertise and time in exchange for opportunities to develop important aspects of its talent base (skills, morale, and brand).

The Example of KaBOOM!

KaBOOM! expands access to playgrounds through a fee-for-service arrangement with corporate partners, who pay for the expenses associated with a build (typically ~\$60k) and often engages employees as volunteers, while KaBOOM! provides the materials and project management support. A community partner also contributes volunteers and capital (~\$10k) and serves on the planning committee for the playground.

Contributions of corporate partners

Contributions of KaBOOM!



WHAT MAKES THE VALUE EXCHANGE COMPELLING?

When KaBOOM! works with corporate partners to build playgrounds, KaBOOM! benefits most from the commitment of assets and reach that corporations provide, while corporate partners benefit most from the reputational "glow" of supporting KaBOOM!'s program, both with employees and the public.

Follow us on www.monitorinstitute.com and on Twitter @MntrlInstitute

Created by Jarasa Kanok, Megan Schumann, and Noah Flower

About the Monitor Institute

Monitor Institute is a social change consultancy that works with innovative leaders at nonprofits and foundations to advance social impact across a diverse range of issues. Monitor Institute strives to be a scout for social innovation, bringing new approaches to clients and contributing to the public debate on leading-edge topics such as impact investing, strategic philanthropy, and networked collaboration. As a for-profit/for-benefit hybrid, Monitor Institute pursues social impact while operating as a fully integrated unit of Deloitte Consulting LLP. Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see 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.