

Corporate Giving: The Decision-Making Process

In the past, I have attempted to dispel some of the basic tenets of corporate philanthropy – namely, that the notion of “corporate philanthropy” is a misguided one because all corporate giving must be driven by building shareholder value and that the values associated with *philanthropy* (empathy, love and other decidedly human emotions) cannot be expressed by corporations (in that article, I also underscored that I was not rendering any judgment on the moral validity of corporations).

In this article, I want to talk more about the decision-making process at corporations when it comes to allocating their social investments. By understanding the influencers of corporate decisions, charities can better understand how to navigate their emails, phone calls, grant applications and proposals.

The first thing that I’ll say about the decision-making process is that it’s typically very complex (and that there is very little consistency across different organizations). This complexity is exacerbated by the fact that a single organization may have many influencers. For example, at Mackenzie Investments, my former employer, some decisions were made straight out of the office of the CEO. Others were heavily influenced by senior management or the sales teams. Most decisions were made within the context of the Mackenzie Investments Charitable Foundation where staff volunteers at all levels were key influencers, shepherded by the Foundation’s well-articulated Giving Guidelines.

If we look at Mackenzie’s gifts, both through the Foundation and outside of it, we might struggle to find common ground. Over the past several years, Mackenzie has been a major supporter of Queen’s University, TIFF, North York Harvest Food Bank, Holland Bloorview Kids Rehab Hospital Foundation and Scarborough Women’s Centre (all of these gifts are of public record). If you can find a common thread between these gifts, hats off to you! There isn’t one, except the fact that these are all wonderful charities. These gifts were guided through different processes managed by different individuals. Even in a mid-sized corporation (Mackenzie has fewer than 1000 employees), the decision-making process can make your head spin.

The complexity of the corporate decision-making process is exacerbated by the fact that it is constantly changing. Corporations are in a constant state of flux and these variations extend to their community investment practices. Sometimes this unevenness is a result of changing roles within the corporation. Other times, it is the product of a change in community investment philosophy (which may or may not be the result of broader strategic decisions around marketing, branding, or human resources management). Whatever the case, even for a corporation with whom you currently have a relationship don’t assume that you understand the decision-making process.

Many corporate-charitable relationships fail because of faulty assumptions. In many cases, charities assume they know and understand what a corporation is seeking from its community investments. These assumptions often extend to the decision-making process. Don't assume that the community investment decisions are made by the CEO, senior management, the Foundation president or community investment professionals. Furthermore, corporations rarely advertise how community investment decisions are made (perhaps because they don't want these individuals subjected to a barrage of emails, phone calls and LinkedIn requests!).

So, the root of understanding corporate decision-making is to ask appropriate questions of the corporation. When I meet with a corporation, I am obviously trying to understand their broader community investment strategies and tactics. But equally important is gaining an understanding of their decision-making process. Here are the questions to ask:

- Please walk me through the decision-making process for your community investments
- Is there anyone that I should be talking to specifically?
- Are you willing to field questions about my application/proposal before it is submitted?
- To whom should these questions be submitted?
- What are the timelines around decision-making?
- Do you have any other resources that will help guide me through the process?

In other words, it is critical to understand not just *why* community investment decisions are made but *how*. By doing so, you will greatly increase your chances of success.