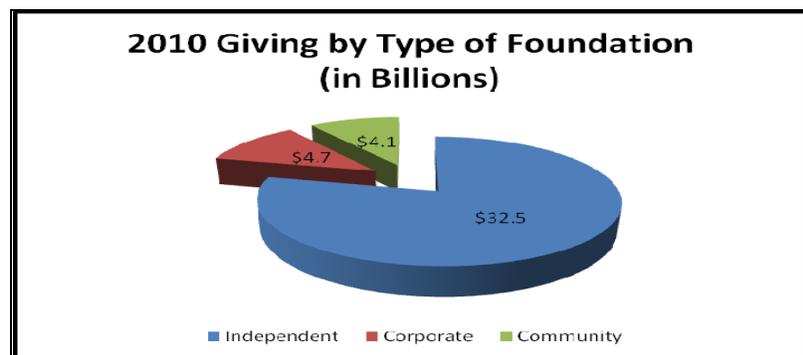


Analyzing How Strategic Partnerships with Corporations and Foundations can Create Shared Value

Having worked for one of the most prominent global operating foundations, I truly understand how successful strategic partnerships can impact the organization's mission and create shared value. Strategic partnerships are joint ventures whereby each party benefits and contributes to an unstoppable synergy. Likewise, institutions that partner with community, corporate and independent foundations not only increase their funding resources but also their access to information that may lead to successful actualization of their priority areas. The United States has more than 76,000 grantmaking foundations and last year they gave away more than \$45 billion to eligible nonprofit organizations and academic institutions. While the overall foundation giving trend remained flat for last year, this year has a favorable trending forecast. I believe now is the opportune time for institutions to engage foundations in new and strategic partnerships that will yield shared value for both parties because foundations are increasing their giving and expecting impactful results.

The Foundation Center's annual giving forecast survey indicates that foundation grantmaking will increase between 2% and 4% in 2011 and is likely hold steady or slightly increase for 2012. In the midst of an economic recovery, this pace of giving is on par with the US GDP growth rate range and is a healthy economic indicator that foundation giving trends are sustainable over the foreseeable near term. Therefore, a purposeful strategy to build foundation partnerships must begin with matching the donor's interest with an institutional need. In essence, there must be an overlapping common interest and a shared value proposition. Although there are several types of grantmaking foundations, independent foundations apparently are the most prevalent, lucrative and most generous in terms of their 2010 giving patterns.



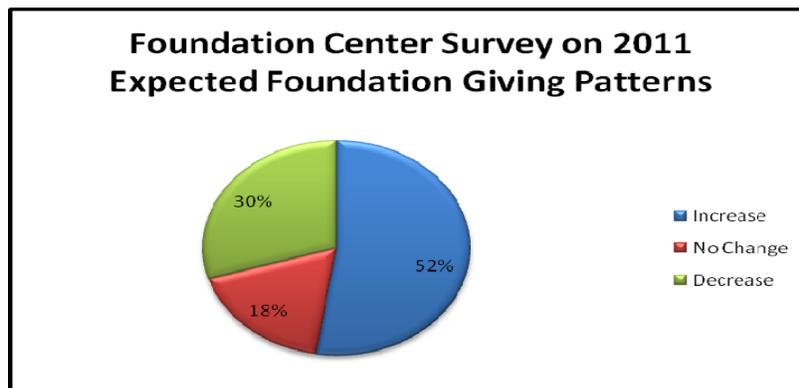
In the above chart, independent foundations awarded more than \$32 billion in grants during 2010; this amount accounts for nearly 80% of all foundation giving. This is significant information for institutions that are seeking to create unique synergetic partnerships within the next 12 – 24 months. It is also a favorable indicator for leading institutions to gauge their probable fundraising success based upon giving trends. These

¹ Information used to create the chart was taken from the Foundation Center's Foundation Growth and Giving Estimates report, 2011 Edition.

institutions need to determine which foundations best serve their interests and are amenable partners for the long term.

Although the entire global financial footprint has just experienced one of the most challenging economic downturns in history, “corporate foundation giving remains at its highest level on record. Productivity gains have helped the corporate sector to return profitability more quickly than could have been anticipated at the outset of the financial crisis.”² It is critically important for institutions to conduct thorough due diligence and completely understand the current financial state of prospective corporate foundations partners. Academic institutions should note that corporate foundations are enthusiastic supporters of the nonprofit educational sector. In fact just two years ago, 22% of all corporate foundation giving was allocated to education. For academic institutions, this will help them reach beyond their contiguous geography to expand their strategic development planning.

Foundation and corporate partnerships are not confined by the geographic region of the institution. In fact, some of the most strategic and successful partnerships transcend international borders. According to the Foundation Center’s Highlights of Foundation Yearbook 2010 edition, the southern US region has experienced the fastest rate of the number of foundations while the northeastern region still leads in the overall number of foundations. But the western region is actually the fastest in terms of grantmaking growth. With respect to giving expectations, the chart below helps us understand the expected pattern for 2011. Fifty-two percent of all foundations surveyed expect to increase their overall giving in 2011. Therefore, now is the opportune time to begin partnering with like-minded foundations to positively impact an organization’s mission.



In summary, as foundation giving patterns are upwardly trending, I believe that the successful development plans of institutions must include strategic partnerships that will create shared value. Additionally, successful development planning must include a diverse geographical outreach to capitalize on the regional growth that is burgeoning in several areas of the United States (and even Europe). Lastly, institutions with clear strategic partners and intended outcomes will be sustained over the long term because more corporations and foundations are seeking partners that create a synergy that yield a return on their investment.

² The Foundation Center: Key Facts on Corporate Foundations, April 2011