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Partnering for Innovation

**Driving Change Through
Business/NGO Partnerships**



CANADIAN BUSINESS FOR
SOCIAL RESPONSIBILITY

Better Business. Better World.

Partnering for Innovation

Driving Change Through Business / NGO Partnerships

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Executive Summary

Partnerships between business and non-governmental organizations (NGOs) have been heralded as Western society's great hope for sustainability. They represent the confluence of North America's desires for both a healthy economy and a healthy environment. As a practical interface between consumer demand and social values, they are behind some of our country's most significant conservation and social responsibility breakthroughs. Seemingly a marriage of contradictions, these relationships are giving birth to a new way of doing business.

The 2002 Johannesburg World Conference on Sustainable Development focused on multi-sectoral partnerships as the only way to realize global sustainable development goals. Several organizations are now working to disseminate best practice examples gleaned from current and past partnerships. The definition of corporate/NGO partnerships is evolving from the historical philanthropic model to a much more dynamic and sophisticated model. This new model seeks to maximize the unique assets both parties bring to the table.

Business has a long history of collaboration with NGOs. Indeed, corporate support in the form of financial contributions, employee volunteer time, and the donation of corporate skills and assets has become an integral part of the NGO sector's network. While these relationships undoubtedly bring value to the business, the partnership remains in essence a form of philanthropy with the goal of helping the NGO fulfill its mandate.

A more intriguing form of partnership, and one that we highlight in this report, is the "innovation partnership": a partnership designed to help the business achieve its goals in a more socially and environmentally responsible manner. In effect, this type of partnership seeks to change the way business is conducted. Cutting edge, potentially risky, but with extreme potential for positive impact, innovation partnerships demonstrate real leadership in meeting the challenges of CSR.

The three case studies highlighted in this report exemplify the qualities of successful innovation partnerships. Each showcases the critical ingredients partnerships must include to be successful. From Polaris Mineral's joint construction aggregate projects with First Nations on Vancouver Island, to Tembec and NorskeCanada's partnerships with the World Wildlife Fund of Canada, all of the relationships display the same essential characteristics:

Characteristics of Successful Innovation Partnerships

Leadership Commitment: Explicit support and involvement of the senior leadership team is crucial; the representatives at the partnering table must be senior enough to make decisions on behalf of the organization.

Open to Change: The corporate partner must be committed and open to real change.

Strong Relationships: Partnerships need to be built upon an honest and transparent relationship – each partner must be committed to being committed.

Shared Goals: All partners must have ownership over the partnership goals and work collectively to make the partnership a success.



Partnering for Innovation: Driving Change through Business/NGO Partnerships

The 2002 Johannesburg Summit on Sustainable Development identified cross-sector partnerships as the only way that the world will be able to meet its global goal of sustainable development (see Appendix I for more on the Johannesburg Summit). Over 90% of the World Economic Forum's Global Corporate Citizenship Initiative believes that cross-sector partnerships will be absolutely integral to the future of sustainable development.¹ To date, much of the discussion of partnerships focuses on the role that multi-lateral partnerships can play in the developing world. Global success in fighting hunger, extreme poverty, human rights abuses, and diseases such as malaria and HIV/AIDS will likely hinge on the success of the partnership approach.

This report explores a different type of cross-sector partnership: **domestic partnerships that build business leadership through social, environmental and economic success** – the three pillars of Corporate Social Responsibility (CSR). While the importance of international development partnerships cannot be overstated – and many Canadian companies and non-governmental organizations (NGOs) are involved in excellent work on this front – the importance of Canadian companies engaging in cross-sector partnerships at home should not be downplayed. Canadian companies have the opportunity to model innovative partnerships to their overseas operations as well as businesses around the world.

[Will] there ever be a point where partnerships aren't part of the way forward? No I don't think so. [When] you look at how business operates with joint ventures, you see that it's part and parcel of how business does business. I think it will become standard for how civil society operates alongside business.

– John Elkington, Chairman, SustainAbility

A new type of partnership to explore

At what point does a relationship become a partnership? What guidelines determine when a partnership is truly a partnership?

Ros Tennyson of the Partnering Initiative² defines it best:

A word used to describe any inter-organizational collaboration where the constituent players (known as partners) think of it as such.

¹ *Partnering for Success: Business perspectives on multi-stakeholder partnerships*, January 2005. The World Economic Forum's Global Corporate Citizenship Initiative is a group of over 40 companies representing 16 countries and 18 sectors.

² The Partnering Initiative is a collaboration between the International Business Leaders Forum (IBLF) and the University of Cambridge Program for Industry that seeks to study and share best practices in cross-sector partnering.



Thus a partnership is best defined by the intentions of the partner entities. There are a multitude of different types of partnerships and as many ways to describe them. For the purposes of this report, we have divided the types of partnerships into two categories: philanthropic partnerships and innovation partnerships.

Philanthropic Partnerships in Action

Child Exploitation Tracking System (CETS), developed jointly by Microsoft Canada, the Royal Canadian Mounted Police (RCMP) and the Toronto Police Service, is a software solution that acts as a database of information as well as an investigative tool for law enforcement officers fighting child exploitation.

For more information visit www.microsoft.ca

Philanthropic partnerships – Supporting and empowering the NGO

The vast majority of Canadian businesses are engaged in some form of philanthropic partnership; a quick look at the websites of Corporate Canada will confirm this. Traditionally, a philanthropic partnership consists of a company making a cash or in-kind donation to an NGO partner. Philanthropic relationships may be long-term and may have a deep level of commitment from both organizations, but these relationships do not require a significant amount of upkeep.

A more engaged form of philanthropic partnership requires active participation on the part of the business: providing employee volunteers, utilizing business skills and assets, or providing guidance and mentorship. In such partnerships, companies utilize their skills and business assets to aid their partner NGO. For example, Microsoft Canada used its business strength – creating software – to create a program that aids police in identifying and apprehending child pornographers. Such a relationship required Microsoft to donate time, money and expertise. In return, it reaps several benefits, including employee satisfaction and skills development, innovative business ideas, and enhanced public image, among others.

For both the company and the NGO, the business case for this type of partnership is sound; in the end, however, it is still based on a philanthropic model.

Innovation Partnerships – Driving social and environmental innovation in business

Innovation partnerships are cross-sector partnerships with the goal of improving how a company conducts its core business. They utilize the external perspectives, influence and expertise of other organizations to meet a traditional business need (i.e., to be profitable) in an innovative and socially responsible way. In these partnerships we find leadership companies that have embraced a new perspective on doing business. These are the partnerships we will focus on in this report.

Innovation partnerships can involve all three sectors – business, government, and civil society. Partnerships involving all three sectors are crucial to reaching the goals of a sustainable society but we believe business/NGO partnerships can produce some of the greatest innovation. As such, these will be the focus of our report.



Two is greater than one – The value of innovation partnerships

If we are together, nothing is impossible. If we are divided, all will fail.

– Winston Churchill

Winston Churchill's words, while dramatic, underscore an essential tenet of society – cooperation. The potential for charting a sustainable course lies in harnessing the skills and expertise from all sectors of society, and cross-sector partnerships are the most likely tool to accomplish this. In short, there is a global imperative to partner.

Why are innovation partnerships attractive to business? There are many reasons. Both business and NGOs have a wealth of resources that can be utilized by innovation partnerships (see Building a Resource Map on page 9).

A Convergence of Interests

There is a growing convergence between the goals and mandates of businesses and NGOs. The social and environmental mandate of business is continually growing and companies are challenged to develop innovative approaches to complex problems in which they often have little expertise. On the other hand, an increasing number of NGOs are realizing that the market can be used as a powerful tool to achieve their goals. In the nexus of these two trends is the opportunity for successful partnerships.

In the face of the enormous challenges that sustainability brings, NGOs are realizing that the changes they seek need to happen soon. Working to change government policy is a long-term, sometimes cumbersome process. Business on the other hand can create change with relative speed and can achieve concrete results in the very short term. NGOs recognize this and find that partnerships offer an excellent alternative for creating constructive, tangible change.

Innovation: An Invaluable Partnership Asset

My working assumption is that partnerships are developed out of frustration, a recognition that no one sector has managed to deal with the issue (whatever the issue is) effectively, and that radical new thinking and approaches are needed. In other words, NGOs have failed to have enough impact despite good intentions; and business has failed to address sustainable development despite producing valuable goods and services.

So, partnerships are (virtually) only worth doing if they innovate... since transaction costs, especially in the early relationship building phases, can be extremely high. Typically potential partners are too tentative with each other and too nervous of “rocking the boat” to push the innovation aspect, even though this is probably the partnership's most valuable asset.

– Ros Tennyson, Co-Director,
The Partnering Initiative



Scaling partnerships: The next shift

The reality of NGOs partnering with business is a significant shift. Most people came into the NGO world with a strong preference for government solutions over business and markets, and they have found themselves squeezed into this new space. The earliest partnerships were uneasy marriages where both sides were looking for something different and had a very superficial relationship. Many of these partnerships were entered into somewhat naively, for the best possible reasons, but they were bound to have something go wrong. They now have a better idea of what they can and cannot do.

I think there is another shift coming; NGOs have started to realize that one of the fundamental problems they face is that of scale. The problems they are trying to address, such as climate change, are multiplying at such a rate that what the NGOs are doing isn't adding up to enough on its own. The first shift was to recognize that markets need to be utilized, and the second shift was to realize that there are good ways and bad ways of partnering. The third shift is that even if you're in a good partnership, if it doesn't have the capacity to scale you should really wonder if you should be in the partnership at all.

In order to drive significant change through the markets, you need that sort of craziness that social entrepreneurs possess. The lack of entrepreneurial folk in the NGO sector is one of the strategic weaknesses that we're going to have to overcome. Someone once described social entrepreneurs as a mix between Mother Theresa and Richard Branson and it's that combination of values with a real oomph to drive change in the market that we need.

– John Elkington, Chairman, SustainAbility

Scalability – A necessary condition to achieve sustainability

Another reason for the increased popularity of partnerships is the growing awareness of the need for scale. The sheer magnitude of the issues that face society, from climate change to global poverty, requires systemic change on an enormous scale. It simply isn't feasible for any one sector to drive this change on its own. Only through the combined efforts of business, government and civil society will we be able to create the kind of innovation required.

Furthermore, a defining characteristic of innovation partnerships is the ability to scale the learning from the partnership through the entire organization. Thus from the business perspective, the partnership should be spreading innovation throughout the entire business to genuinely change the way that business supports and fosters the goals of society. Innovation partnerships can help a company achieve this scale of change.



Innovation Partnerships: An NGO Perspective

We've built a lot of awareness around environmental issues. It's no longer "should we do this?" It's "how do we do this?" What we as environmentalists have to do is ensure that progressive action is rewarded in the marketplace. If nobody buys the product, if they don't appreciate the value of the product – in all senses of the word appreciate – then it could all be for naught. We want our partners to succeed so that we can harness the power of the market and not be constantly railing against it.

The goal for us is to achieve wildlife and environmental conservation, and ultimately that is how we will measure our success. But the partnership has to have a shared objective; the company and WWF have to be driving towards the same end. And that's where our goals intersect.

When we went to Tembec we asked "Would you please try one FSC certification?" [This] was a big ask because only a few small eco-forestry operations had done FSC certification at the time. Tembec came back and said, "Help us do all of our operations or none – we don't want just some of our operations certified." We underbid them; environmentalists don't always have the biggest ambition, in this case Tembec did.

Steven Price, Director, Forests and Trade, World Wildlife Fund Canada

Assets that NGOs bring to the corporate table

There has been much exploration of the corporate assets brought to the NGO table: money, resources, business skills and insights, employee volunteers, and expanded networks and contacts – all of which create value for partner NGOs. In such instances, the benefits reaped by the business are important – employee motivation, strengthened community relationships, and skills development – but ultimately do not improve the corporate partner's core business. In innovation partnerships the relationship has shifted in focus and the assets that NGOs bring to the corporate table can add significant value to the company's core business.

- **Identifying Opportunities and Risks:** Forward-looking companies are always on the look out for the "next big thing" in terms of corporate opportunity and risk. NGOs can identify and elucidate areas of risk for business that might be outside traditional business purview. A partnership with an NGO brings valuable insight to the company and can identify the trends that could be prominent on their future agenda. For example, knowing that one of the chemicals you use in your industrial process is going to be the focus of a nation-wide campaign to eliminate its use would give the company time to be proactive to reduce its risk and exposure.

Our partnership [with WWF] gave us the opportunity to bring to market a product like no other that will have enhanced transparency about its sourcing and about its value to the community.

Stu Clugston,
VP Corporate Affairs and CSR,
NorskeCanada

- **Influence:** NGOs have an extraordinary amount of influence on public opinion, government policy and business activities. This influence often outweighs the size and resources of the organization. With the



steady growth of the internet and related communication technologies, NGOs with a nominal infrastructure can reach a significant audience. This influence can be used to convince other stakeholders, such as government regulatory bodies, that the partnership is deserving of public support. Polaris Minerals received unprecedented support for their Orca Sand and Gravel project from their First Nations partners; greatly facilitating their applications for government approval (see Case Study #3 on page 18).

- **Innovation:** NGOs and business have different sets of core competencies; which, when combined, can lead to innovative business products and solutions. NGOs can provide new insight to a corporate partner, and with new insights come new opportunities.
- **Reputation and Trust:** Opinion polls, such as Edelman's annual Trust Barometer survey, consistently rank NGOs as the institutions the public holds in the highest level of trust, ahead of business and government both in Canada and internationally.³ Likewise, Globescan's 2003 CSR Monitor reported that the majority of Canadians would have a higher opinion of a company if it were to partner with an NGO.⁴ Corporations that successfully enter into innovation partnerships can engender trust and an enhanced reputation as a result.
- **Expertise:** NGOs often have a very deep knowledge of specific issues that they bring to a partnership. In WWF's partnership with Tembec, WWF brought to the table a knowledge of the Forest Stewardship Council (FSC) certification scheme that provided crucial guidance to the company (see Case Study #1 on page 14).
- **Employee Engagement:** Partnering with a respected NGO can motivate employees who share the same values as the NGO. In the case of Tembec and NorskeCanada, their partnerships with the internationally renowned WWF connected employees to the global significance of their daily actions and became a source of pride for many.
- **Networks:** NGOs have access to large networks that can be of great benefit to their business partners. These networks can help partners to forge new relationships with sectors and industry players that were previously hard to engage. Polaris' First Nation partnerships created opportunities for Polaris to utilize their partners' strong relationships with government officials.

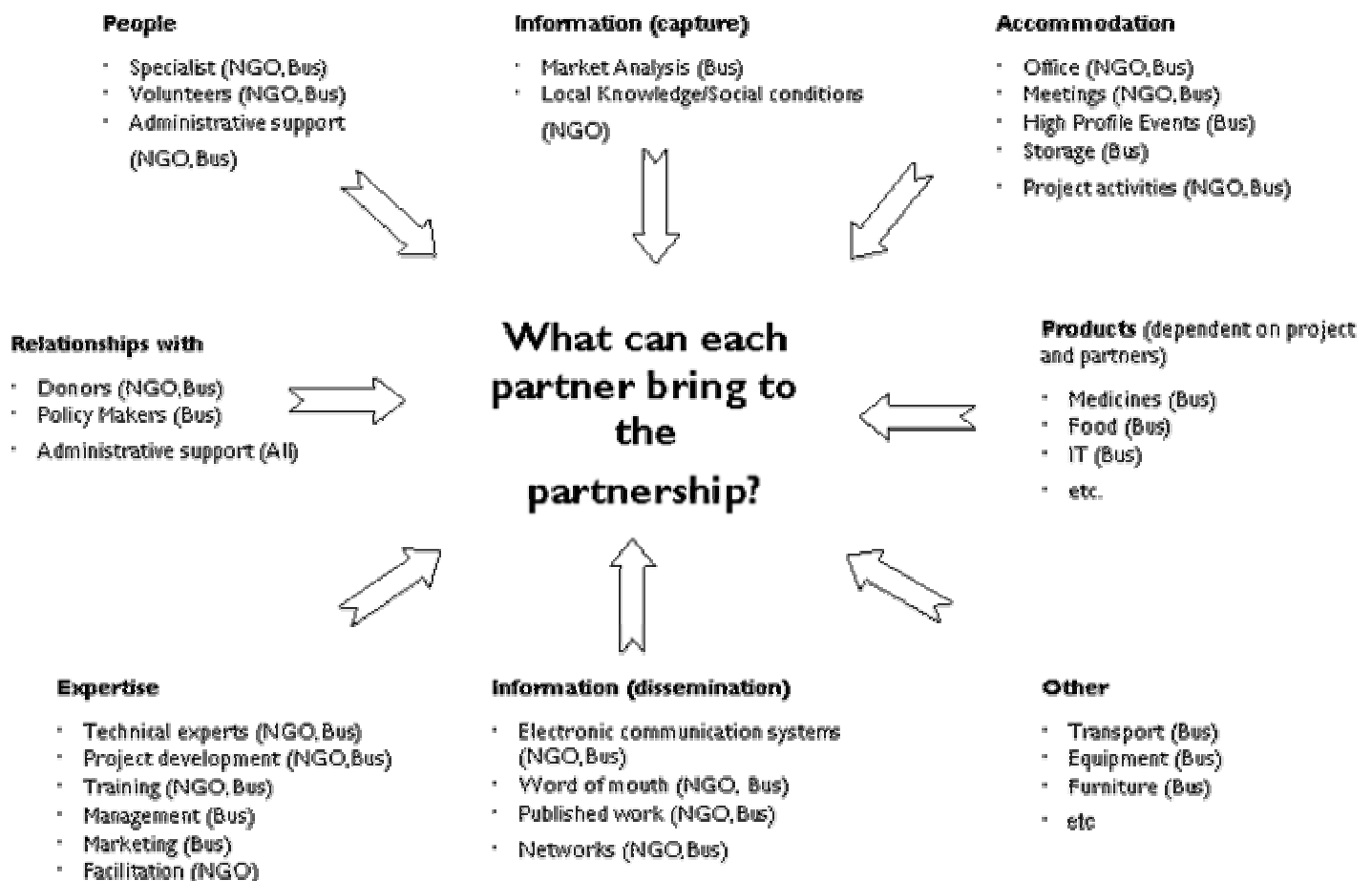
³ www.edelman.be/en/fatb.htm

⁴ www.globescan.com



Building a Resource Map

The following graphic displays the human, technical and knowledge resources that businesses and NGOs bring to the table. While financial contributions are important, there are often equally important non-financial inputs that each partner can bring to the relationship.⁵



⁵ Adapted from *The Partnering Toolbook*, The Partnering Initiative, 2003. www.thepartneringinitiative.org



Mitigating the Risks of Partnering

Innovation – truly creating something new – is inherently risky. These risks can be mitigated through proactive partnership skills – but success is never guaranteed. Due care should be taken when choosing partners and projects to ensure that the partnership makes good business sense; however, we can't be afraid of failure if we want to achieve greatness.

Risks	Issues	Mitigation Strategy
Reputation	Public/NGO-community cynicism toward reasons for partnership, accusations of buying the reputation of the NGO partner Open to criticism from NGO partner if not committed to the success of the partnership	Be as transparent as possible about the goals of the partnership and the commitments made, both with your partner and with the public Be committed and open to real change
High start-up costs	Partnerships are resource intensive at the early stages Always a risk of not achieving results with the partnership despite time and money spent maintaining the relationship	Be committed to the relationship – from the CEO on down. If the goal of the partnership is worthy, don't let initial difficulties undermine the partnership
Conflict of interest	Hard to remain objective when involved in a partnership, both sides may not be as vocal in disagreeing with the other's actions outside of the partnership Accusations of NGO being a "lapdog" and not a "watchdog"	Document partnership parameters and clearly define the independence of the partners – create a memorandum of understanding that provides guidelines for the partnership
Alienation of stakeholders	Employees may not trust NGO due to traditional antagonism Supporters of NGO may disagree with choice of corporate partner and force NGO to back away from partnership	Create a shared goal that stakeholders have an affinity with – focus attention on the issue, not the partners

Defining Success – The four key ingredients

Considering success factors for innovation partnerships brings to mind the joke, "There are only two kinds of people in the world: those that think there are only two kinds of people in the world, and everybody else." Every partnership is a unique experience and the success factors for each will vary depending on the organizations and people involved.



That said, some key ingredients lend themselves to success. The three case studies highlighted in this report demonstrate consistent attributes that correlate to our findings from the *Building Sustainable Relationships Conference* and from CBSR's work in the field of CSR. These success factors are echoed in much of the current body of research related to cross-sector partnerships, and are particularly relevant to innovation partnerships.

1. Leaders must show leadership

The senior leadership of both organizations must show explicit support for the partnership. This support is crucial, signifying the partnership's importance to both organizations. Innovation partnerships drive change through a business; as such, the support of the CEO is imperative. In the case of NorskeCanada, President and CEO Russell Horner signalled his commitment to the partnership by taking a place on WWF's board of directors.

Having an internal champion for the partnership is extremely important – it may be difficult to make the partnership happen without one. When this champion is not a member of the senior leadership team, it is critical to ensure the champion can leverage his/her enthusiasm for the partnership into real action.

Leadership extends to the table. The representatives of each organization managing the partnership should have the authority to make decisions on behalf of their organization. Having the ability to make independent decisions is crucial to the smooth course of the partnership. All partners need to know that the changes agreed to at the table will be acted on by their corporate partner.

We need to see a senior level commitment that demonstrates it is worth us getting involved. Otherwise it may go nowhere because the people at the table can't enforce the changes.

Steven Price, Director,
Forests and Trade,
WWF Canada

2. The company must be open to change

You have to approach the partnership with absolute openness, and admit that fundamental change must occur in your organization for it to be sustainable.

Stu Clugston,
VP Corporate Affairs and CSR,
NorskeCanada

The corporate partner must be committed and open to real change. Innovation partnerships can be perceived as an in-depth form of stakeholder engagement. For consultation with stakeholders to be real and meaningful, the company must be prepared to listen to feedback and respond accordingly. Likewise for companies engaging in innovation partnerships: the company must be willing to integrate the goals of the partnership into their core business. Success relies on companies being prepared to change.

High-profile NGOs are often targeted by companies looking to partner on specific issues. With limited resources to spend on managing partnerships, they are selective, choosing those relationships with the largest potential impacts and greatest chance

of success. Commitment to innovative change is one of the key elements they seek. Without evidence of change, the partnership can take on the veneer of a public relations gambit, putting both the NGO and company's reputation at risk.



We don't partner with just anybody, we only partner with the companies that will give us the biggest impact. We only have so many resources and we must maximize those resources.

– Steven Price, Director, Forests and Trade, WWF Canada,

3. A commitment to being committed

In the literature on cross-sector partnerships there is a debate about whether the quality of the relationship is important. We would argue that it is. In order to be the most effective, innovation partnerships need to be built upon an honest and transparent relationship with all partners committed to being committed. In the end, a partnership comes down to a relationship between people, and those organizations that can see the people in the partnership will undoubtedly have a more fruitful relationship.

Transparency leads to trust. Some argue that an NGO and a business will never truly trust each other, and some might say that this is for the best. As one participant in SustainAbility's 2003 business/NGO partnership workshop put it, "There's an old Chinese saying, 'When you dance with the bear, make sure you keep your axe handy!'"⁶

If trust is too much to ask for, full transparency is the next best thing. Committing to a relationship requires open and honest communication between partners that can only be achieved through transparency. Both sides of the partnership should know exactly what the other side hopes to gain and how they plan to leverage the results.

Agree to disagree. A strong partnership will survive the inevitable difficulties and rough spots it will experience. Partners need to be willing to embrace a certain level of discord and disagreement while having faith in the partnership objectives. After all, this is one of the reasons for partnering – to gain that external perspective. Disagreements can often lead to an opportunity for real innovation. Having a commitment to the relationship can give innovation room to flourish.

All that time we spent together without an agenda and away from our offices, we were building that crucial platform of trust. Without the strength and resiliency of the platform we built, our long and difficult negotiations could easily have fallen through.

Chief Judith Sayers of the Hupacasath First Nation

As we realized how strongly determined we were to do this project together, it became apparent that we were no longer working from opposite sides of the table. Our Eagle Rock table had become round. Now, we were bringing our very different perspectives, experiences and skills to bear on our shared problems, seeking and finding creative solutions.

– Marco Romero, CEO Polaris Minerals

4. Partners must have a shared goal

While it is evident that businesses and NGOs have different organizational goals and objectives for entering into a partnership, it is important that there be some commonality.

A common goal ensures a common definition of success. Without a common goal partnerships can

⁶ NGO – Business Partnerships in Advancing Sustainability, Vancouver, Canada, 2003. From the SustainAbility website at <http://www.sustainability.com/programs/pressure-front/workshops.asp>



quickly become fractured and aimless, draining the zeal for maintaining the relationship. Having a concrete, shared goal will give all partners a stake in the partnership's success. Progress towards that goal provides the opportunity for both sides to celebrate together, strengthening the relationship.

Define the partnership scope in writing. Having a signed partnership agreement that clearly outlines the concrete goals of the partnership provides a framework that each partner can turn to if the relationship starts to lose focus. Most written agreements have a statement on shared values as well as an explicit concrete goal for the partnership.

An innovation partnership addresses a core business need. The shared goal of the partnership must be treated like any other priority project if employees are to dedicate their best input and creativity. Businesses need to ask themselves why they are contemplating an innovation partnership if it doesn't address their core business.

All parties must receive mutual benefit outside the achievement of the common goal. Tennyson of the Partnership Initiative stresses that cross-sector partnerships should only be entered into if all parties receive mutual benefit outside of the achievement of the common goal.⁷ Partners need to walk away from the partnership with more than they brought to it, whether that be skills, expanded networks, business tools or other benefits outside of the explicit goal of the partnership. In the case of the innovation partnership, the stated goal of the project will often be enough of a benefit for both sides if the goal is ambitious enough.

Challenges to Partnering

Partnerships can be challenging, especially when the partnership has an impact on your core business. Being aware of the following challenges and being proactive to address them can mean the difference between success and failure. Usually, the benefits far outweigh the challenges; but when the challenges seem insurmountable, perhaps partnering is not the best option.

Culture clash: Businesses and NGOs have very different operating styles and working together requires compromise on both sides.

Internal resistance: Either partner may have stakeholders who are outright hostile towards collaboration of any sort and achieving any level of trust may be impossible.

Power imbalance: The partnership can become one-sided if the business does not respect the inequities in money, resources and connections.

Ongoing confrontation: NGOs may carry on campaigns against the company outside of the partnership, creating a stress on the relationship.

Separate goals: Finding a mutual goal can be difficult if the values of the two organizations are too far apart.

Relationship maintenance: The time and resource requirements of the partnership may be too much for either partner, and if these resources are not committed, the partnership will ultimately fail.

Language: NGOs and business speak with their own respective jargons and coming to a common language can be crucial to moving a partnership forward.

Loss of a champion: Key personnel changes can mean that the vocal champion of the partnership is no longer present and the management of the partnership may not receive the same attention.

⁷ The Partnering Toolbook, The Partnering Initiative, 2003. www.thepartneringinitiative.com



Case Study I

Complementary Assets: Tembec and WWF Canada

Tembec is a national forest products company based in Quebec that employs over 10,000 people. World Wildlife Fund Canada, founded in 1967, is the Canadian arm of WWF International and now has over 50,000 members who support their work to promote conservation and living in harmony with the natural environment.

Tembec and WWF's relationship is an excellent example of an innovation partnership. Their joint statement in 2001 that Tembec would certify all of its forestlands to Forest Stewardship Council (FSC)⁸ standards came at a time when FSC certification had an extremely limited uptake in Canada. Standards had not yet even been made for the boreal forest – which comprises most of Tembec's forest holdings. If the partnership succeeds in meeting its goals (they are about 70% towards the goal), Tembec will be solely responsible for approximately 15% of the FSC certified lands in the entire world. The scale of change that Tembec strives to create is indicative of the extent of innovation resulting from this partnership.

Choosing a partner

Tembec was familiar with WWF through a number of collaborations on small projects and thus already had the beginnings of a relationship. Tembec chose WWF as a partner because of their in-depth knowledge of the FSC certification system. As one of the original partners involved with the creation of FSC certification, WWF brought international experience with the implementation of FSC standards. At the beginning of their partnership, Tembec did not have a biologist on staff, whereas WWF had a wealth of biologists and ecologists with a particular expertise in ecological assessments working for them. WWF's focus on the market viability of FSC certified products was also attractive – the business case for FSC certification of their forests rested on having a market for FSC products. And lastly, WWF had credibility, longevity, and a high degree of visibility that brought both recognition and stability to the partnership.

Managing the partnership

WWF and Tembec met regularly to collaborate on a workplan that addresses the various challenges of certification and to check in against timelines and goals. An integral part of their success lay in WWF's dedication of someone to work *within* Tembec to support the implementation of their joint statement. An important step in managing the partnership was getting Tembec and WWF employees out in the forests together – working on the ground together, building trust and respect.

⁸ The Forest Stewardship Council is an international network that promotes responsible management of the world's forests. The standards are created through a consultative stakeholder process and are widely considered to be the most rigorous certification standards in forestry. For more on the history and the technical requirements of certification, see www.fsc.org



Business Benefits	Challenges	Success factors
<ul style="list-style-type: none"> • Profile: WWF brought international exposure and visibility to the partnership • Scientific knowledge: WWF had experienced biologists and ecologists on staff that benefited Tembec directly in their efforts to certify to FSC standards • Market capture: WWF worked closely with Home Depot to establish Tembec as a supplier. WWF's international image and network of connections helped find a market for Tembec's products and will likely help sell the benefits of their FSC certification in the future 	<ul style="list-style-type: none"> • Setting priorities: The timelines for the joint statement were very ambitious. Setting priorities on which elements of the partnership agreement should be tackled first was difficult, but very important when it became clear that the timelines of the joint statement would not be met. • Internal engagement: Tembec has over 10,000 employees; only a few of them directly interacted with WWF. Communicating the benefits of the partnership to all staff was challenging. 	<ul style="list-style-type: none"> • Leadership commitment: Tembec's CEO Frank Dottori is committed to making the partnership with WWF a success. Tembec and WWF's representatives at the table have the complete support of senior management and full leeway to make decisions on behalf of their organizations. • Open to change: WWF originally approached Tembec to certify just one of their operations in Ontario. Tembec proposed that they certify all of their operations in Canada, demonstrating full commitment to the goals of the partnership. Tembec was very open to input from WWF on how to achieve that change. • Shared goals: Tembec and WWF created one overarching, tangible goal with a defined timeline (certification of all Tembec's forestlands by 2005). Perhaps one of the most innovative aspects of the partnership was that its success would be gauged by the increased sales of certified products over time. Employees from both organizations were able to maximize their time by focusing on these tangible goals.



Case Study 2

Building on a Relationship: NorskeCanada and WWF Canada

NorskeCanada, headquartered in British Columbia, is one of North America's largest groundwood paper companies with over 3,800 employees. World Wildlife Fund Canada, founded in 1967, is the Canadian arm of WWF International and now has over 50,000 members who support their work to promote conservation and living in harmony with the natural environment.

NorskeCanada and World Wildlife Fund (WWF) Canada signed an agreement in December, 2002 that touched on a broad range of actions and goals, ranging from increasing fish and wildlife conservation to setting benchmarks for greenhouse gas emissions. A highlight of the partnership was the creation of a value-chain proposition for NorskeCanada's paper that would follow the paper from its origin in the woods to its purchase by the consumer. Customers will know if the paper they bought came from an FSC-certified forest, how efficiently the fibres were used, and how the pollution and greenhouse gases were reduced in its creation.

Choosing a partner

NorskeCanada was committed to change, and an external organization could help them meet that commitment. However, they did not simply want change for the sake of change – anything they did would have to add to the long-term sustainability of the company. From NorskeCanada's perspective, there was no gap in values between itself and WWF. The NGO “just made sense” as a choice for partnership. NorskeCanada was looking for a partner that based its work on science and could bring those scientific resources necessary for the complex work of integrating sustainability. Moreover, they were looking for an organization ready to engage business and work collectively towards solutions.

The lead representatives for each organization, Stu Clugston, Vice President Corporate Social Responsibility and Corporate Affairs for NorskeCanada and Linda Coady, Vice President, WWF Canada, developed an open and honest relationship that was built on mutual values and trust. This strong relationship helped the partnership strengthen the ties between organizations.

Partnership management

The partnership operated as a regular NorskeCanada project. This was not a “side of the desk” project for NorskeCanada staff. A project team was assigned to it with regular meetings and progress checks.

Based largely in Ontario at the outset of the partnership, WWF found managing the partnership difficult. While it sought to grow its western presence, it didn't have the resources to do so quickly. In order to make the partnership effective, NorskeCanada granted \$350,000 dedicated to building a western WWF office.

The initial agreement between partners was for three years, ending in 2005, at which time they would assess the relationship and determine future direction. The partnership continues to evolve and grow in new directions, in particular with their combined work on climate change issues.



Business Benefits	Challenges	Success factors
<ul style="list-style-type: none"> • External perspective: The external perspective of WWF provided NorskeCanada with insight into how their work was being perceived, and where they should focus their energies. • Innovative product development: At the end of the project, NorskeCanada will be bringing a product to the market that is “like no other.” They will be able to sell a paper whose environmental history can be traced from the forest to the mill. • Internal employee engagement: Many employees wrote letters to Clugston telling him how proud they were of the partnership and of their company for showing leadership. • Sustained energy for their sustainability agenda: WWF gave NorskeCanada encouragement and feedback on their progress and helped them maintain momentum on their sustainability goals. 	<ul style="list-style-type: none"> • Communication: NorskeCanada didn’t communicate the purposes of the partnership as much as they could have to ensure that employees were engaged with the partnership from the outset. Not all employees saw the value in the partnership. • Capacity: WWF had a limited presence in BC and could not have participated in the partnership without the assistance of NorskeCanada. 	<ul style="list-style-type: none"> • Open to change: NorskeCanada made the commitment going into the partnership that they were committed to the goals of the partnership and were prepared to act on those goals. WWF stated that this was a prerequisite for them to engage. • Leadership commitment: The partnership had the full commitment of the senior leadership team, from the President and CEO, Russell Horner, to the board of directors. As importantly, the representatives of both NorskeCanada and WWF who sat at the partnership table were senior enough to make decisions on behalf of their respective organizations. • Commitment to a shared goal: NorskeCanada treated the partnership as a regular business project, tasking employees with timelines and deliverables. Having the common goal allowed the partners to focus on specifics and “get down to business.”



Case Study 3

A unique partnership model: Polaris Minerals

The history of Canada's relationships with its First Nation communities is complex, challenging, and often disheartening. Companies working in partnership with First Nation communities find themselves enmeshed in this reality and must work from within this context. It is becoming increasingly evident that companies operating in the traditional territories of First Nation communities cannot rely on government to do their consultation for them. Business necessity demands that companies engage first hand, and in some best practice examples, form one-on-one partnerships with the communities in which they operate. These partnerships provide lessons that can serve any cross-sector partnership well.⁹

Polaris Minerals, a Vancouver-based construction aggregate company, proposed to develop two major construction aggregate quarries in concert with Vancouver Island First Nations: Eagle Rock Minerals and Orca Sand and Gravel. Eagle Rock Minerals is 30% owned by Polaris' First Nations partners – the Hupacasath, Ucluluet and Tseshaht First Nations – while the Namgis First Nations own 12% of Orca Sand and Gravel. Polaris' First Nation partners receive preferential opportunities for business development, employment and training, and direct community funding. The model of consultation, relationship building and partnership management that Polaris followed in both projects created win-win situations for all partners in an environment that is particularly complex, politically charged, and challenging for all involved.

Polaris has raised the bar in terms of how business should be done with aboriginal communities. It is this level of respect that we are seeking from those who do business in our territory

– Chief William Cranmer of the Namgis First Nation

Managing the partnership

Polaris spent significant time building the relationship with its First Nations partners, learning the values and concerns held by the communities involved with the project. This involved numerous extended personal visits by the company's leaders to the communities for meetings, consultations and informal gatherings. Polaris was completely transparent about their project, and provided their partners with the capacity to hire independent advisors to assess their proposals. The First Nation partners brought their priorities for protecting their culture and environment to the table, and these priorities became common goals for everyone. Each First Nation involved is represented on the board of directors for both projects.

From the beginning and throughout, Polaris has dealt with all three First Nations fairly, equally and openly. Respect and trust for Polaris and within the partnership has been strengthened by that approach.

– Chief Judith Sayers of the Hupacasath First Nation

⁹CBSR held a conference on business and Aboriginal partnerships in February of 2005, titled Building Sustainable Relationships. Over 250 people gathered to share and discuss the findings from 15 different case studies and presentations.



Business Benefits	Challenges	Success factors
<ul style="list-style-type: none"> • License to operate: Polaris’ partnerships earned the company a license to operate and provided long-term stability for their investment. • Networks and influence: Orca Sand and Gravel was the first project the provincial government ever witnessed in which the First Nations partners affected by the project sent signed letters of support for the quick approval of government permits and assessments. More specifically, Polaris’ partners signed letters confirming that Polaris, the Provincial Government and the Federal Government had fully consulted and accommodated them, and they openly supported the project’s permit applications. As well, having the explicit support of the local First Nations assured Polaris’ customers in California and its financiers that the project would not be impacted by unresolved land claims in the area. • Innovation: Polaris’ partners brought a new perspective to the environment that led to innovative environmental management practices above and beyond any regulations. • Labour force: The two mineral deposits are located in relatively remote areas of Vancouver Island. Polaris’ partnership agreement with the First Nation communities guaranteed access to a resident labour force. 	<ul style="list-style-type: none"> • Time: Creating a sustainable relationship with a First Nation community takes time and patience – the regular business timeframe for project development does not apply. • Capacity: The First Nations involved with the projects did not have the capacity to become an equal partner on their own. Polaris had to provide the funding to allow the First Nations to effectively assess the project’s potential social, environmental and economic impacts. 	<ul style="list-style-type: none"> • Leadership commitment: The partnerships were initiated by the CEO of Polaris, Marco Romero, directly with the First Nation Chiefs. Romero’s presence at numerous public and private meetings indicated the company’s commitment and resolve. • Relationship commitment: Polaris spent the necessary time to develop a strong relationship with the communities involved – this relationship helped the partnership survive some challenging negotiations. • Consult first, plan later: Polaris came to the communities that would be affected by the project before they made any plans or applied for any permits. This was crucial for highlighting the transparency of the process. • Open to change: Polaris was extremely transparent throughout the whole partnership and responded to the concerns of their First Nation partners in regards to environmental protection and employment opportunities. As a result, the projects were able to create innovative best practices. • Common goals: All partners were able to form an agreement that ensured they were working towards the same goal – the success of the mine. • Equity: The disparity of resources between partners meant that equality, in economic terms, was impossible. However, equity agreements ensured that partners could have an equitable say on the common goals of the partnership.



The future of Innovation partnerships

There is little debate that cross-sector partnerships will play an integral role in the way forward for businesses, NGOs, governments, and the public at large. Worldwide, there is a growing consensus that the issues facing society are too big for any one sector to tackle on its own. Cross-sector partnerships can bring together the core competencies in which each sector excels.

Innovation partnerships – partnerships designed to create a better way of doing business – are currently in the minority. An enormous amount of partnerships involve businesses, NGOs and governments; however, very few directly address how a business operates. Innovation partnerships bring a commitment to hard wire the partnership goals into the DNA of the company.

The business community often touts the power of market forces to create positive change in the world – and rightly so. No other mechanism can drive innovation and change like free markets. In order for any change to be sustainable, business needs to be a part of it. Innovation partnerships can help take us there.

Innovation is risky; and thus, so too are innovation partnerships. It will take courage and commitment to make the promise of innovation partnerships a reality. But with the risks come rewards. Canadian businesses have the opportunity to become market leaders through innovative business solutions that utilize the knowledge, skills and assets of the NGO sector.

The companies that have been highlighted in this report have by no means found all the answers, but through their innovative partnerships they have created models of collaboration that can act as blueprints for success throughout the world. In a country that prides itself on integrating countless cultures and finding strength in diversity, we should be open to the intuitive good sense of innovation partnerships; partnerships that bring us ever closer to our collective goal – a healthy, sustainable society.



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Appendix I: Further Reading

Partnership Information and Resources

The Partnering Initiative

Established in January 2004, The Partnering Initiative is a collaboration between the International Business Leaders Forum and the University of Cambridge Programme for Industry. It is at the cutting edge of promoting new thinking and good practice in cross-sector partnering for sustainable development. Their approach is unique, combining thought leadership, professional learning opportunities and the coordination of innovative joint ventures. The initiative provides a number of resources, from case-studies to toolbooks designed to help develop and foster partnerships. The Partnering Initiative contains important guidance on not only the “why” of partnering, but on the “how”. The Partnering Initiative runs a number of training workshops and courses on partnering, including the Post Graduate Certificate in Cross-Sector Partnerships and the Partnership Brokers Accreditation Scheme.

www.thepartnershipinitiative.org

Business Partners for Development

Business Partners for Development (BPD) was a project-based initiative set up to study, support and promote strategic examples of partnerships involving business, civil society and government working together for the development of communities around the world. BPD was created in 1998 and involved the study of 30 partnerships in 20 countries. The project focused on four “clusters”: natural resources, water and sanitation, Global Partnership for youth development, and global road safety partnerships. The BPD website has the in-depth case studies and learning from each cluster and provides a number of tools and resources for businesses looking to engage in cross-sector partnerships in the developing world.

www.bpdweb.com

Johannesburg Summit

During the 1992 Earth Summit in Rio de Janeiro, global leaders adopted Agenda 21—a plan of action for sustainable development in the 21st century. Agenda 21 highlighted the importance of involving members of society at various levels of the decision making process and in new ways. Special emphasis was placed on nine major groups, two of which were Non-Governmental Organisations, and Business and industry.

10 years later at the 2002 Johannesburg World Summit on Sustainable Development, this call for broad participation evolved into the most notable outcomes of the summit—the formation of voluntary multi-sector partnerships. To date, over 300 partnerships between governments, non-governmental organisations, businesses and civil society groups have been formed to share resources and skills in tackling global environment and development challenges.

www.johannesburgsummit.org

www.un.org/esa/sustdev/partnerships/partnerships.htm



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