

## Fundraising Institute of Australia - Queensland Cricketers Club

Tuesday, June 8, 2004

### Speech Notes

David Liddy

Managing Director

I must admit, I thought quite hard before agreeing to speak here to this audience today, and not for the reasons you might think.

I had no visions of having to bring a very large chequebook and not being allowed to leave the room until it was empty, although I think my CFO did.

I had no visions of agreeing to sponsor and support another dozen or so worthy causes before I left, although I know my sponsorship manager did.

I did have a vision of how inadequate I may be to speak on this subject, to an audience full of people who work every day to make life better for those less fortunate than myself.

It is a daunting task, and one which I do not take lightly.

For the fact is, and I know many others in the corporate world who would agree, you can always do more than you currently are. There are always many, many worthy causes which you feel you should support, but don't.

This is the position of not just the average company, but the average Australian. There is always more that can, and should be done.

So I do **not** intend to stand here today and try and claim some moral high ground, or to speak as if Bank of Queensland stands above others in its corporate generosity.

In fact, I will admit up front that we do not always get it right when it comes to our involvement with the not-for-profit sector.

What I hope to do is help those of you in this room who rely on the private sector for support, and I am sure that is everyone, by giving you an insight into what a corporation like Bank of Queensland is looking for in such a relationship.

Because, over all, there's good news and bad news for the NFP sector when it comes to Australian corporate involvement.

The good news is that more corporates are supporting, and will continue to, the NFP sector - and there are a number of reasons for this that I will speak on later.

The bad news is, these corporates now want more bang for their buck from the NFPs they are supporting, and that the competition has never been stiffer.

Now I am not going to mirror, nor do I agree with the old American robber baron Andrew Carnegie who stated that, and I quote: "One of the serious obstacles to the improvement of our race is indiscriminate charity."

But I will fall more in line with former US Author Jack London who said: "A bone to the dog is not charity. Charity is the bone shared with the dog, when you are just as hungry as the dog."

By that standard charity is only worthwhile if it is a shared experience, one in which both parties gain something, although I am not sure an old socialist like London would necessarily have meant it that way.

So while the average corporate is not quite as cash-strapped as the average charity, or anywhere near, the experience must be one in which both parties are enriched.

Therefore, a key for all of you here is to look at what you can offer the corporation when it comes to attracting their support.

And believe it or not, these decisions are not made purely on a dollar basis. Corporations now look to what their relationship with a NFP can bring to their staff, their customers and their other stakeholders.

No longer is it enough just to stick your brand up on a worthy charity's sign and say that was money well spent.

One of the key words corporations now use is "involvement". The triple bottom line is actually more than just a buzz-phrase, it has taken on real meaning.

So it is imperative that, as a not-for-profit organisation looking for support from the private sector, you spend some time looking for proposals that fit the corporation you are speaking to. It's not enough just to tap out an email and send it out to one hundred companies saying your cause is worthy.

You must understand the corporation's business objectives before you approach them.

Some key questions they will ask, so you should as well, are:

- Is their target audience similar to yours?
- Does their product match with what your donor audience wants to buy?

- Geographically do they cover the same area as you do - if you're nationally fundraising and the partner is state-based it will have limited appeal.
- What involvement will their staff have?
- How can it involve their customer and client base?
- What other NFPs are they already supporting?

These are just the initial questions you need to ask as a fundraising or sponsorship manager for a NFP.

Corporations will respond more readily to an appeal which has obviously been drafted with them, in particular, in mind. They will open the chequebook a lot faster if there is an obvious synergy, and the work of finding that synergy has already been done by the NFP.

Some quick and easy research should also be undertaken to find out whether the corporation:

- Has existing relationships with not-for-profit organisations;
- Has existing relationships with an NFP in the same area as your organisation (for example, health or children);
- Is financially capable of providing the assistance you require;
- Can capitalise on a relationship with your organisation amongst staff and customers.

This research, which could easily be undertaken through any listed company's annual report, and off their websites, should also identify who within the organisation is the right person for you to contact.

Let me tell you, from personal experience, that if you can get to the CEO and enlist their support, you are a long way to getting the organisation's support.

Now, you would all understand the obvious attractions for any corporation in aligning with a not-for-profit organisation and, in particular, a specific campaign.

These include:

- Positive media exposure;
- The chance to attract new customers;
- The opportunity to drive traffic through their doors;
- The chance for their staff to network with other corporates;
- The chance for the corporation to build strategic relationships, for example with key government individuals and/or departments;
- And, of course, the chance to provide staff development and community involvement, but more on that later...

Many corporations look for the above wins through associations with sporting or arts organisations. Like Bank of Queensland and its relationship with the Queensland Reds rugby union side, these relationships can be deep and long-standing.

However, I often hear those involved in the charity side bemoan the fact that corporations have such involvements with sports and or arts organisation, and that this precludes them from being involved with smaller or less visible organisations.

While that may have been the case once, it is not the case any longer.

A key, high-profile involvement with a sports team or arts organisation should be only one plank in a corporation's overall community involvement.

In fact, it is the strong community involvement that comes from charities which can strengthen morale within a corporation, while also strengthening ties between the corporation and its customers.

So the true triple bottom line of financial, social and environmental responsibility becomes more than just a pithy phrase, but one with genuine meaning.

Apart from the obvious benefits for a corporation which I outlined, there are now the new, equally, if not more important, requirements of corporate sponsors. These include:

- Staff involvement; that is ensuring there is genuine synergy and involvement on a staff level in the corporation's NFP relationships;
- Customer interaction; that is providing an opportunity to interact through the vehicle of the NFP relationship with the customer base;
- Stakeholder relationships; that is providing a vehicle for a corporation to strengthen its relationships on a non-business level with key suppliers, partners and clients outside of the so-called traditional networking.

This is where charities often have an advantage over the sports and arts organisations because the relationships can be developed while there is a strong feeling of "giving something back" to the community rather than just taking enjoyment from sports and arts opportunities.

Now, before I get hit with a wave of footballs and artist's easels, I am outlining advantages both types of NFPs have in gaining corporate support. All organisations have a niche to fill and will attract the corporate dollar if they understand the new demands of corporations.

It is just that often sports teams and arts organisation, and more the former than the latter, are unfairly singled out as taking too much of the sponsorship pie.

I feel it is important to outline where the more traditional "charities" also have advantages when it comes to gaining the corporate dollar.

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The advantage for these charities lies in their ability to cross over the lines between corporate executives, their staff, their customers and their stakeholder suppliers and partners by providing the opportunity for all of them to “give something back”.

Bank of Queensland’s involvement in JDRF’s Walk For a Cure is an example of providing an avenue for staff to get together and contribute outside of the branch or the office in a positive, social and healthy atmosphere.

After all, we all like to feel we have contributed above and beyond at some stage. We all feel something for having helped someone less fortunate within the community. Or at least, we all should.

As my former boss at Westpac, David Morgan stated in a speech last September: “People want to come to work to earn a living – but they also want to feel good about it.”

I couldn’t agree more. It is one of the true strengths BOQ has had in the last few years as we reached out into the community, opening 42 branches and five new business banking centres.

We have also focused on customer service above and beyond the call of duty. Subsequently, we have attracted many staff from other banks and organisations keen to return to the “new renaissance” of customer service.

Like community involvement and social responsibility, it is about developing an internal culture which reflects the expectations of the community in which we all live and work.

It’s also about creating those opportunities outside of the corporation itself.

Recently we launched the Investing in Hope program, with the Royal Children’s Hospital Foundation, in which shareholders are given the option of donating their dividends directly to a charity.

We are the first corporation in Australia to come on board this innovative fundraising program, and I believe it gives something to the charity while also strengthening our ties with our shareholders.

But our culture is not just driven from head office either. One of the things BOQ prides itself on is that it also involves itself in local communities on a branch-by-branch level.

The Bank’s 135 branches are encouraged to develop their own relationships with the local communities in which they live and operate.

The Bank encourages this through a dollar-for-dollar contribution for money raised by staff for charity, but, and this is what pleases me most, more often the involvement is one developed from the branch rather than enforced by head office.

Only two weeks ago Bank of Queensland Manly branch manager Adam McAnalen sponsored the Week of Wine at Manly and, in particular, an associated golf tournament.

The golf tournament attracted 120 players to the North Lakes course, and raised a total of \$9000 for the Juvenile Diabetes Research Foundation.

The involvement and sponsorship were Adam's who understood the importance of the event on a local level, while also providing a new fundraising opportunity for a worthy charity.

This sort of grass roots approach to local fundraising for NFPs is one of the great strengths of Bank of Queensland's model.

But regardless of whether you are fighting for funds for sick kids, disadvantaged adults, Queensland's artistic heritage or a struggling sports team, there are new challenges out there when fighting for the fundraising dollar.

One of the real challenges for existing not-for-profit organisations is the growing corporate desire for ownership.

Ownership can be a key requirement of the modern corporate donor when it comes to where their dollar goes.

I am speaking here of the corporate desire for ownership of its NFP relationship – whether that is ownership of an entire NFP, or just a key campaign.

A conflict often arises between the needs of the corporate and the needs of the charity when it comes to ownership.

Corporations are, these days, less likely to be happy with having their logo as one of 20 on a big banner at the charity's signature event.

More and more the word ownership is being used by corporations and their advisers. Corporations want to get full credit, and are willing to pay for it, for their support for a particular cause or organisation.

Unlike in the past, this is not just ego-driven narcissism on the part of the corporation. It is instead based on a belief that their branding can become subsumed by the clutter of other organisations if they do not have top, and preferably, only billing when it comes to a particular not-for-profit.

This has created yet another issue of competition for existing not-for-profit organisations.

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This competition is coming from corporations establishing their own foundations in order to direct corporate and staff fundraising into their own vehicle. I am aware of corporations that have set up such foundations for financial literacy and other areas which directly impact upon their business.

This is an attempt by these organisations to gain total “ownership” of a community relationship.

While this can be seen as unnecessary and unwanted competition by the community services sector, it may also open doors to new opportunities.

By understanding the needs and desires of a corporation well, it may be an opportunity for a not-for-profit to work with a corporation to establish a new vehicle which provides the ownership the corporation requires, while also providing much-needed funding for specific areas or programs.

Or it may be an opportunity to develop a specific campaign in which the corporation can target specific goals while also benefiting the NFP.

An example of this approach can be seen in the Banking on Queensland Kids campaign which the Bank of Queensland is, again, running with the Royal Children's Hospital Foundation this month.

Launched on Sunday, this campaign allows the Bank to involve its staff, from each and every branch through to head office departments, in raising funds and buying toys for the Royal Children's Hospital through a specific campaign.

The Bank is the major, and in fact the only sponsor, and has developed specific goals which include the involvement of staff, but also allow for interaction with our customer base in a very worthy cause.

Due to our focus on personal service and our desire to truly integrate our growing branch network within their local communities, we see this as a win-win situation for BOQ, while also providing an entirely new avenue for fundraising for the hospital foundation.

The only downside was that they talked me into going 37 metres up in a fire engine ladder to launch the event.

Let me tell you, it's higher than it sounds, and certain people at the Foundation now owe me – big time!

Within the bank we have established campaigns which reward those staff, branches and units which raise the most money, and we give our staff an outlet to build positive feeling in their workplace, and between the bank and its customers.

It achieves a number of goals for the bank, while achieving the key goal of fundraising for the charity.

Obviously as this year is the first for the Banking on Queensland Kids campaign we will sit down and assess its success with the foundation after its over, but I have confidence that it is the beginning of a new relationship between us, and one which I hope will become an annual staple for both organisations.

It builds on a relationship developed last year through our first partnership on the B105 Christmas Appeal, and through our initial donation from our successful corporate charity event featuring former New York mayor Rudy Giuliani.

And the key word there is relationship.

Like any good relationship, the joining of a corporation and a charitable organisation must be one of mutual respect and support.

There should be no false paternalism or misused righteousness on behalf of the giver.

To me, there is little I can think of worse than a charitable gift given in which the recipient is lessened by the giving.

So while I will speak of corporations wanting more bang for their NFP buck, I am not talking of any sort of philanthropic stand-over tactics. I am talking of relationships between equals where the community benefits overall, and the charitable recipients and the corporation benefit specifically.

The recipient benefits from the obvious support, and the corporation benefits through improved touch with their community, improved staff morale and the associated strong reputation as a giver to their community rather than just a taker.

Like not-for-profit organisations, as a corporation we face many new challenges ourselves these days, and many new demands upon the so-called "discretionary" dollar.

As anyone involved with a listed company will tell you, an enormous amount of time and effort now goes into complying with the wealth of new regulations and legislation which covers the sector.

Bank of Queensland already has a list of legislation, codes and standards to which it must comply which runs for three A4 pages. While only taking up one line on the list, some of these items include the Financial Services Reform Act and the Privacy Act, which have brought about a massive amount of extra work in order to meet compliance standards.

And not just extra work for accountants, lawyers and company secretaries, although there is a lot for them too, but extra time and effort from frontline staff in the branches.

At Bank of Queensland our staff undertook thousands of hours of training last year under FSRA legislation alone.

I can see you all thinking, what does this have to do with giving to charity?

Well, apart from the growing cost of implementing this legislation and, in particular, the training associated with it, there is also a strong imposition on the time of our staff.

There is no doubt that every employee can only allocate so much time for work, and work-related activities, and that increased training and education means fewer hours available for involvement in other activities.

That includes working with charities. During the height of the FSRA training I had to put a halt on other campaigns, both internal, and those involving potential charity partners, to ensure the load on our staff did not become too much.

**So, apart from the competition from within the NFP sector for every dollar, and I know it is fierce, you also face growing cost competition from within the corporations themselves.**

**I am not saying this to depress you all.**

I am saying it to ensure you are aware of the new challenges facing those corporations that support not-for-profit organisations.

Philanthropy has not been an over-used word in the Australian corporate scene over the last couple of decades.

While the culture exists in the US, for too long we in Australia believed looking after the community sector was the job of government or charities, not corporations. And for too long we believed the job of funding those charities was also the job of government, not corporations.

As governments now face increasing pressure to focus on key areas of health, infrastructure, education and the economy, their direct support for the not-for-profit sector will decline.

It is essential that corporate Australia steps up to the plate. And that is never more obvious than when I am in a room like this today.

I want to conclude today on saying something about those who, all too often, are missed when the thankyou's are handed out.

While Bank of Queensland receives kudos for giving or supporting a worthy cause, and the recipients of that cause receive the benefits, often those in the middle are left unrewarded.

I speak, of course, of those like most of you in this room who work for charitable causes and other not-for-profit organisations. I know most of you expect no public reward for the work you do.

From my personal dealings, I know many of you could earn more in the private sector than you do working in the organisation in which you work.

I also know that many of you are volunteers who balance work, life, family and support for an organisation that would not exist without the support of volunteers.

So I want to take this opportunity to give you all that public recognition which so often goes to others. The very fabric of our community would tear if it was not for people like you, and I want to take this opportunity to thank you all for your efforts.

To quote the renowned former US president Theodore Roosevelt:

“It is not the critic who counts, not the man who points out where the strong man stumbled or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena...who does actually try to do the deed; who with great enthusiasm spends himself in a worthy cause; who at the worst, if he fails, at least fails while daring greatly.”

While the terminology in regard to the gender of the quote may be dated, the sentiment is not.

Please continue to “dare greatly” on behalf of your organisations, and I am sure corporate Australia will lift to meet your example.

Thank you.