Strategic Approaches to Corporate Social Impact

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Not so long ago the term "corporate social responsibility" did not exist. Companies were focused solely on maximizing revenue and shareholder value. For some businesses, social engagement then evolved to simply making annual financial donations to their favorite charities. Today, not only is CSR a widely used term and expected practice of modern enterprises (especially those trying to land and retain the best employees), but many companies are actually going far beyond simply being "socially responsible." For these companies, CSR is core to their values and strategic to their business model. While the spectrum of corporate social impact efforts is broad, an increasing number of companies are raising the bar and leveraging a wider set of corporate assets to be a socially conscious company and active member of their communities.

As a philanthropic partner and nonprofit accelerator, Tides is helping startups and large corporations engage in local, national, and global social causes. Tides interviewed three corporate impact leaders whose companies take unique and deep approaches to engaging in social impact. We hope their stories will inspire and motivate you and other corporate leaders to explore the myriad strategies and options available to contribute to a better world for everyone.

HURRICANE HARVEY SLAMMED the Houston area on a Friday night. The winds quickly moved inland, but the rain kept falling. By Sunday, 1,000 homes in suburban Friendswood, Texas, were inundated--one-third of the tiny city.

The hours of desperation stretched into days. Emergency vehicles couldn't reach the most hard-hit parts of town. First responders were paddling kayaks through the streets. The 9-1-1 system was overloaded. Local church groups went about setting an emergency call center. But how? They asked local software engineer Joshua Lyman to help.

Shortly after 5 p.m. on Thursday, Aug. 31, 2017, Lyman went to Twitter: "@twilio I'm helping set up a pop-up inbound call center for #Harvey efforts in S Houston. Can you point me to any guides you have on this?"

It took just 12 minutes for a Twilio employee in Austin, Texas, to respond, looping in a colleague at the San Francisco cloud communications company's philanthropic arm, Twilio.org.

By Friday morning Lyman had downloaded Twilio's Rapid Response Kit, a cloud-based communications tool, and had a basic contact center running. Twenty-four hours later, town officials sent out their first city-wide text, directing residents to a local help center if they need assistance. In the first four hours, the system handled more than 150 incoming calls.

"All of our programs are focused on enabling heroes," says Meghan Nesbit, director of nonprofit market development for **Twilio.org***. "Our rule is to ensure that someone like Joshua has no obstacles or barriers when it comes down to communications that are going to make a huge difference in people's lives."

Friendswood was no fluke. Twilio was able to help the flood-ravaged town so quickly because supporting communities and nonprofit organizations is deeply embedded in the corporate culture. The 10-year-old company provides community groups with discounted products, an "Impact Corps" of employee volunteer developers, and charitable grants and investments from its "Impact Fund," a donor advised fund housed at Tides.

Twilio has also made grants to organizations as varied as the OpenGov Foundation, which bridges the gap between citizens and government with modern technology, to Crisis Text Line, a volunteer counseling service.

Twilio is not alone. Incorporating integrated philanthropy, employee engagement, and social impact goals into the business is not a side effort, it's strategic to the business. Integrated CSR is not just for external brand building; it sets core values and can be a key driver for employee recruitment and retention. Employees, especially Millennials, increasingly want to work for a company that shares their values and where they can participate in positive social change as an

Corporate Philanthropy	Corporate Volunteering + Product Donation	Corporate Marketing	Strategic Philanthropy	Business Integration	Business Growth as Social Lever	Business with Social Mission
Direct giving to charitable organizations	Enabling corporate staff to volunteer in NGO sector Contribute company product to NGOs	Cause promotion (Raise awareness) Cause-related marketing (Raise revenue)	Incorporate philanthropy, volunteering, marketing into business goals based on company assets and expertise	Utilization of business assets for social + environmental benefit	Business strategies that lead to positive social change	Business as a vehicle to solve social and environmental problems

Adapted from source: K. Deiglmeier

Today, an array of social impact efforts are seen in the corporate sector, from traditional CSR efforts to highly strategic endeavours.

These companies endeavour to make a difference as they make money. At more and more, forward-thinking companies, corporate social responsibility means more closely aligning their business and community interests while supporting specific social-impact issue areas with the wide range of company assets, including allocating:

- Company equity that can generate cash for charitable grants and investments in social enterprises.
- Employee volunteer time and expertise to local nonprofit organizations during the workday.
- Company products or services at low or no cost to benefit charitable partners.

Issue Area(s)

Cash Assets
Grants, Funds, Direct Investments, Equity, Debts

Non-Cash Assets
Products, Time
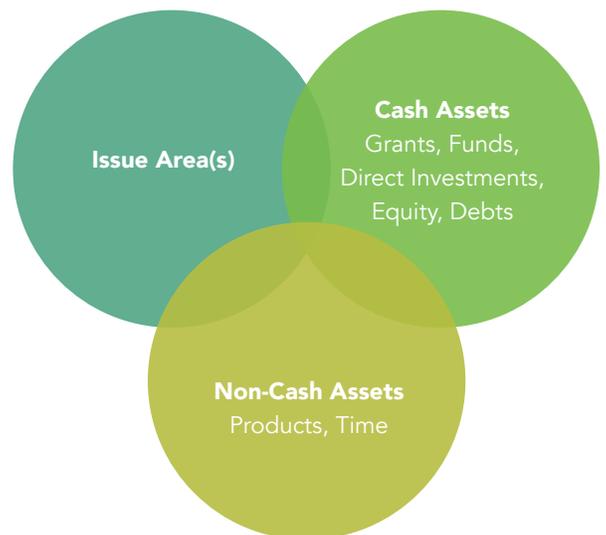
Forward-thinking companies are starting to employ their full portfolio of assets in order to affect social and environmental issue areas.

Until recently, traditional corporate philanthropy involved CEOs or boards generally picking a worthy cause or organization and donating a sum of money to it. Companies sponsored hometown arts organizations, hospitals, and conservation groups, among others. While worthy, this approach was fairly rudimentary and limited the potential benefit the company could generate. It was an unfocused, scattershot effort to place the corporate name beside something everyone agreed was a good thing--with little more than the hope in the C-suite that, somehow, "We'll do well by doing good."

That's not working anymore. Today, the scattershot approach to corporate giving is fading away, replaced by applying a company's various assets in a strategic and integrated way. For example:

- **Docusign IMPACT** philanthropic efforts are "built around three pillars: our technology, our time and our profits." It has a new employee matching-gifts program, and it donates transaction management products to nonprofits along with an employee-volunteer organization.

- Cloud content management company, **Box***, mobilizes its technology, its business assets, and its people (called "Boxers") to enable nonprofits with a focus on youth well-being, tech sector inclusion, and humanitarian aid. The company also addresses the social impact needs of the local regions where it has major offices.

- **Google.org*** is engaged in a five-year effort to commit $1 billion and 1 million employee volunteer hours, focusing on four general areas: education, economic opportunity, diversity and inclusion, and crisis response.

"We bring our people, products, and financial resources together to support innovative, tech-driven nonprofits around the world," explains Lacy Caruthers, principal of Google.org, the philanthropic arm of the tech giant. "That's the approach we take to all of our work."
Box takes a similar approach. "We've woven Box.org fundraising and education into our major internal and external events," says Global Program Manager Christina Louie. The company also donates space in its office for nonprofit events and has provided communications and technical support for organizations as varied as DonorsChoose.org, Year Up, charity:water, International Rescue Committee, and Think Of Us.

"We value our nonprofit customer partners and are proud to donate and discount our services to them and enable their success," says Louie. "We started more broadly in our dedicated impact areas and have narrowed in as we saw what our communities most needed, what Boxers cared most about, and which parts of the nonprofit sector were best utilizing our cloud content management core competency to fulfill their missions."

Twilio, on the other hand, takes a slightly different approach, says Nesbit. "We focus on how we can best leverage the assets of the company," she says. "We put platform and communications first and tend to be a little bit more agnostic in terms of the cause or issue area." (That's not to say the company doesn't have a couple of pet projects; it's been active in the "net neutrality" debate and in the Voices for Democracy initiative.)

To be sure, the concepts of corporate social responsibility and social-impact philanthropy have been evolving for a long time. But many in the corporate-giving world point to 2005 as the pivotal moment. That's when **Walmart** set a new benchmark in how it delivered aid to New Orleans and the Gulf Coast after Hurricane Katrina.

The corporation's initial response was underwhelming--a $2 million donation and an announcement that its own displaced employees would receive just three days additional pay. But prodded by recently hired PR firm, Edelman, then-CEO Lee Scott soon had the old-school retailing giant stepping up its commitment. Walmart gave $25 million in cash and in-kind donations while its supply chain management and distribution systems delivered supplies to victims and first responders more quickly and efficiently than George W. Bush's Federal Emergency Management Agency. Employees were promised jobs at new Walmart locations.

A Social Impact Get-It-Right List

Here's some of what the experts say you need to keep in mind as you focus your company's assets on your social-impact efforts:

1. **Do what you do best.** Twilio didn't try to deliver bottled water to hurricane victims, and Walmart didn't try to build a communications network. They had the greatest impact because they focused on their own resources and expertise.

2. **Find a leadership champion.** The impact of a company's efforts is multiplied by the degree of commitment from the very top of the organization. Says Google's Lacy Caruthers: "Make sure your efforts are built into the corporate culture, not bolted on."

3. **Mobilize your employees.** Box's Christina Louie says: "Enable employees to volunteer, give to, and advocate for causes they're passionate about.... This helps employees evolve as leaders, and it's great for business."

4. **Be passionate.** "Impact is wonderful, but the work to actually get there isn't always glamorous," says DocuSign's Skeeters-Behrens. "Sometimes you need that passion to get you through to the really important, good stuff."

5. **Go all in.** "Don't half-ass it," says Twilio's Nesbit. Staff your impact team with enough people to get the job done. "If you're going to do it," she says, "do it well."

The result was immense amounts of goodwill for the company, which in the months before the hurricane had been mired in multiple scandals and controversies. Walmart won plaudits and favorable coverage from Advertising Age to The Wall Street Journal. New York Times columnist John Tierney wrote: "If President Bush feels compelled to put someone in charge of rebuilding the Gulf Coast, let me suggest a name: Lee Scott."

Walmart has since made disaster relief its principle philanthropic focus.

Fast forward to the post-financial-crisis, post-Great Recession era. Newer movements such as Pledge 1%, Founders Pledge, and 1% for the Planet have helped encourage companies to get involved early and leverage company assets beyond money, including employee volunteer time during the workday and the company's products and services in support of their desired social impact.

Let's make this clear: Companies, literally, have made doing good their businesses.

Equity can be set aside for charitable purposes even before the company is publicly traded. Once the company does go public, stock can be turned into cash to fund charitable grants and even loans or equity investments in for-profit companies that integrate a social-impact component into their business models.

That's how it's been done at **Google**, where a focus on social responsibility and impact goes back to its earliest days. Founders Larry Page and Sergey Brin committed "to make Google a long term success and the world a better place" in their famous 2004 letter in the company's initial public offering prospectus. "We intend to contribute significant resources," they wrote of then new Google Foundation they were establishing, "including employee time and approximately 1% of Google's equity and profits…We hope someday this institution may eclipse Google itself in terms of overall world impact."

Today, Google's individual projects range from a $10 million grant to Goodwill to bring digital skills training to job seekers across the U.S. with the help of 1000 employee volunteers, to support of the brand-new Memorial to Peace and Justice in Montgomery, Alabama -- Google provided money and expertise to set up a database of the thousands of racial terror lynchings between 1877 and 1950.

DocuSign IMPACT, the philanthropic arm of the company with a cloud-based service that greatly simplifies the signing and processing of contracts and other legal documents, came up with a novel solution for a disaster relief organization, explains Executive Director Amy Skeeters-Behrens.

Team Rubicon, a volunteer organization that engages military veterans as first responders, needed a way to handle documents such as medical release forms in places with intermittent connectivity and power. Members of DocuSign's developer community came up with a way of handling documents offline but that could be uploaded to the cloud later.

The system was put to the test in 2016, when refugees from Syria and other conflicts arrived in Europe. Team Rubicon set up a medical clinic in northern Greece and used a DocuSign's offline document handling feature developed specifically for the relief group to process multi-language medical consent forms.

"Once a signature was on a document on a tablet," says Skeeters-Behrens, "it was replicated across other devices. The moment there was any kind of internet connectivity for any of the devices, it was immediately uploaded to the cloud." The offline feature worked well in this extreme use-case and ultimately was built and rolled out as part of a core product.

This spring, DocuSign employees across the world marked DocuSign's initial public offering by volunteering with local nonprofits, and about 150 DocuSign employees will be volunteering in July at the Special Olympics USA games in Seattle.

"It's from the grassroots and the top down," says Skeeters-Behrens. "Over the past five years we've donated over $2 million worth of product to Special Olympics International. So it represents the best of what the company has to offer--our technology, our people, and our dollars."

These examples demonstrate how forward-looking businesses engage on the local, national, and global stage has changed dramatically. Companies are leveraging strategic philanthropy and building in social impact goals into how the business and its employees operate far beyond their own offices, factories, and distribution networks. They're not just selling new stuff; they are consciously trying to make a new and better world.

Tides is a philanthropic partner and nonprofit accelerator dedicated to building a world of shared prosperity and social justice. Tides works at the nexus of funders, changemakers, and policy, with extensive impact solutions including philanthropic giving and grantmaking, impact investing, fiscal sponsorship for social ventures, collaborative workspaces, and policy initiatives. Our extensive tools and know-how give our partners the freedom to hit the ground running and drive change faster than they can on their own. To learn more, please visit us at tides.org

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