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## CSRlive Commentary

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### Shaping the Future with Corporate Philanthropy

By *CSRwire Contributing Writer Elaine Cohen*



*Image: Margaret Coady, Director of CECP, addresses attendees at the 2010 Corporate Philanthropy Summit, themed "Shaping the Future: Pathways to 2020".*



*The CECP Corporate Philanthropy Summit recognizes companies who contribute to communities.*

The [Committee Encouraging Corporate Philanthropy](#), or CECP for short, a network of global CEO's committed to corporate philanthropy, held its annual summit in New York in early June 2010. It drew close to 300 attendees, all eager to debate the strategic impacts of corporate philanthropy and share the responsibility for "Shaping the Future", the theme that drove the two days of debate.

But wait. Corporate philanthropy? Isn't that a little dated? Hasn't the business strategy approach of "corporate community investment" overtaken the somewhat old-fashioned notion of philanthropy and giving back? In these days of reputation management, enlightened self-interest, opportunity sustainability, [SROI](#) and triple bottom line, who talks about philanthropy, other than philanthropists?

Gone are the days we gave fish to men. Now we teach them to fish, and business benefits from the catch. So what is the CECP doing, celebrating philanthropy and even making awards to companies who excel? [Intel](#), [General Mills](#), the [Boston Beer Company](#) and [Partners in Health](#) supported by [Eli Lilly](#) all received [CECP awards](#) for demonstrating [standards of excellence](#) in corporate philanthropy, as assessed by an [independent selection committee](#) from the non-profit, academic and business sectors.

We can gain some insight into this apparent anachronism from new CECP research, presented at the summit by Lenny Mendonca of McKinsey & Company, in a report entitled "[Shaping the Future: Solving Social Problems through Business Strategy](#)." The report provides insights into five game-changing trends that will confront business in the next ten years and thoughts about how business can proactively address these for the benefit of both society *and* their bottom line.

Yes, society AND the bottom line. This doesn't sound like traditional philanthropy. According to research quoted in the report, 77% of interviewees believe that embedding social engagement into business strategy is the most important action a CEO can

take to prepare for 2020. Later, at a CECP summit workshop session, Harvard Professor [Michael Porter](#) separately talked about Creating Shared Value where leaders turn obstacles into opportunities for their company and for society. The CECP's [website refers to philanthropy](#) as *"a framework that helps companies create efficient, effective, and sustainable results for both the business and the community,"* and awards were made for leadership, innovation, measurement and partnership in philanthropic efforts.

[Intel's](#) Chairman's Award from the CECP refers to Intel's donation of \$120 million over 10 years to advance education through the [Intel® Teach program](#), which provides professional development for teachers, helping them to improve their teaching methods through the use of technology. Intel Teach has trained more than seven million teachers in over sixty countries. In many countries, the program is the primary Information Communications Technology training program, and the national government awards certification to teachers who have participated. Clearly, aside from the reputational benefits of this program for Intel, it could be seen as a grand design to create a love of technology where everyone wants *Intel Inside*.

The CECP President's Award went to [General Mills Inc.](#), the sixth largest food company in the world, who strategically donates 5% of pre-tax profits to charitable causes, equating to \$90 million in 2009. General Mills partners with many NGO's to address hunger and poverty issues in Africa and transfers technology to develop socio-economic infrastructure. One example is the [JoinMyVillage](#) program to empower women and girls in Malawi. Clearly, addressing hunger will create demand in a strategic territory for General Mills products. In fact, the Company notes, *"the continued success and category leadership of General Mills signifies our long-term commitment to South Africa."*

[The Boston Beer Company](#) took the CECP Founder's Award. In June 2008, Company partnered with [ACCION USA](#) to launch a program, [Samuel Adams Brewing the American Dream®](#), to provide small business owners with financial support and mentoring, committing an initial \$250,000 for a microfinance Loan Fund. By supporting the financial independence of small businesses, Boston Beer is contributing to essential sustainable development, and a society in which, apparently, more people will drink more beer.

The CECP Director's award went to [Partners in Health](#), a partnership involving [Eli Lilly](#), the drug company. Following increase in multidrug-resistant tuberculosis (MDR-TB), Eli Lilly and Company established the MDR-TB Partnership, investing \$135 million into a public-private affiliation of twenty-two organizations dedicated to eradicating MDR-TB. The program has succeeded in reducing MDR-TB treatment default rates from 29% in 2001 to less than 11% today. John C. Lechleiter, Chairman, President and CEO of Eli Lilly notes that: *"our success as a company depends on an unwavering commitment to corporate responsibility."* More drugs, more profits.

Are we talking about [philanthropy](#), *"the effort or inclination to increase the well-being of humankind, as by charitable aid or donations"* or are we talking about clever and complex business strategies to build reputation and markets and create long term shared value through empowering and advancing communities, addressing community needs and providing the financing needed to make progress?

Reviewing the above award-winning examples, the answer seems clear. All are very worthwhile programs, addressing real needs of real communities whilst holding the potential to contribute positively to business results over time because they are based on a platform of integration with core business. The philanthropy of business cannot happen in a vacuum, as the very ability of businesses to continue their philanthropy depends on their ability to sustain and grow their core markets.

Corporate philanthropy, therefore, may be semantics we have grown out of, but in practice, the CECP supports and recognizes, commendably, the application of corporate philanthropy in an integrative, sustainable way. As stakeholders, we should also seek out and support companies who create change by creating shared value, whether we call it philanthropy or business strategy, as we, the stakeholders, also reap the benefits of such activities in the form of a more sustainable world.

The debates at the CECP summit appear to have moved these concepts some steps further, and it seems that our "Pathways to 2020", as the summit was subtitled, are well informed and leave room for optimism in answering the needs of sustainable development. As for philanthropy, well, perhaps there's more to it than meets the eye.

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