

Monitor Institute  
by **Deloitte.**



## **Value Exchange Tool**

For building business non-profit  
partnerships that last

A part of Deloitte Consulting LLP



# The concept of value exchange

## Are you...

- A non-profit or business leader looking for new ways to achieve social impact?

## Do you want to...

- Begin a new business non-profit partnership on a strong footing?
- Discover how to renew the foundations of an existing business non-profit partnership?

## Are you wondering...

- How do I think creatively about the reasons for a non-profit and a business to partner?
- How can I tell if a non-profit and a business have enough to offer one another?
- What opening questions should I ask in measuring the worth of a business non-profit partnership?

Opportunities to partner with other organizations often feel difficult to evaluate for both parties. Since each organization brings a unique mix of resources and capabilities, every potential partnership can feel bespoke. This can be particularly challenging when one party is a business and the other is a non-profit, and the leadership teams on each side are less certain what value to look for in a partner. Choosing whether and how to partner is made easier by viewing any potential partnership arrangement through the lens of four contributions that an organization might provide: **reach**, **assets**, **reputation**, and **capabilities**. The Value Exchange Tool is a simple method for considering what a partner could potentially contribute, stacking up what a potential partner brings, and representing the value exchange at the heart of the partnership in a single visual.

# What it is

An effective business non-profit partnership needs to have a compelling value exchange at its heart, where each partner both gives and receives. That exchange can involve four kinds of contributions by the partners—**reach**, **assets**, **reputation**, and **capabilities**. Example contributions are offered below.

## Contributions of corporate partner

- Technical expertise to expand and scale operations
- Physical infrastructure to improve distribution and access to remote areas



### Reach

How will this exchange open new doors and bring greater scale?

## Contributions of non-profit partner

- On-the-ground knowledge of communities and key influencers
- Lower programming and coordination costs through access to volunteer base

- Financial capital more sustainable and secure than traditional grants
- Buying power
- In kind commitments of expertise, people, technology (e.g. advanced software or research databases)



### Assets

When resources are pooled, what goals are now within reach?

- Community insight and historical knowledge of effective interventions
- Resourceful use of volunteers and public assets (land, schools, etc.)

- Brand awareness and clout that lends credibility about ability to execute efficiently
- Marketing resources to support message-crafting and communications



### Reputation

In what ways will this boost visibility and enhance perception with stakeholders?

- Public trust that initiative will yield socially impactful results based on organization's track record
- Credibility with groups skeptical of corporate motives

- Specialized skills in their area of work
- Formal training programs that build capacity (e.g. for leadership development or operational skills)
- Industry best practices that promote asset efficiency



### Capabilities

What learning opportunities will this present and skills could be deployed?

- Specialized skills in their area of work
- Lower-risk setting for innovation and iterative refinement of a model
- Convening power to foster collaboration among stakeholders

# Worksheet

**Who is involved?**

**Business partner**

**Non-profit partner**

**What contributions can they provide?**

**Business partner**

**Non-profit partner**

(For example: technical expertise or physical infrastructure)

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**Reach**

How will this exchange open new doors and bring greater scale?

(For example: on-the-ground knowledge or lower programming and coordination costs)

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(For example: financial capital, buying power, or in-kind commitments)

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**Assets**

When resources are pooled, what goals are now within reach?

(For example: community insight or resourceful use of volunteers and public assets)

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(For example: brand awareness or marketing resources)

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**Reputation**

In what ways will this boost visibility and enhance perception with stakeholders?

(For example: public trust or credibility)

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(For example: specialized skills, formal training programs, and knowledge of industry best practices)

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**Capabilities**

What learning opportunities will this present and skills could be deployed?

(For example: specialized skills, a lower-risk setting for innovation, and convening power)

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**What makes this value exchange compelling?**

**Business partner**

**Non-profit partner**

# The example of New Profit Inc. and Deloitte

New Profit Inc. (NPI), a leading venture philanthropy fund, and Deloitte Consulting, one of the largest professional services organizations in the world, have a partnership with a decade-long history. Over a 3 year period (FY2012-2014), Deloitte has committed over \$6M in pro-bono consulting services to New Profit and its portfolio organizations—extending \$36M in pro-bono consulting services provided over the prior decade.

## Contributions of Deloitte Consulting

## Contributions of New Profit Inc. (NPI)

- Expertise and capacity to guide NPI portfolio organizations through the process of scaling up



### Reach

How will this exchange open new doors and bring greater scale?

- Connection to important influencers in multiple sectors through existing NPI relationships

- Expertise across both organizational strategy and operations in the form of \$36m in pro-bono consulting



### Assets

When resources are pooled, what goals are now within reach?

- Expertise in screening for high-potential social impact organizations, which enables Deloitte to channel pro-bono contributions towards greatest impact

- Improved attractiveness to grantees and co-funders, from access to significant pro-bono consulting resources



### Reputation

In what ways will this boost visibility and enhance perception with stakeholders?

- Experience boosts Deloitte employee morale and job satisfaction
- Strengthens Deloitte's brand in competitive talent market

- Transfer of relevant skills to NPI staff and staff of portfolio organizations



### Capabilities

What learning opportunities will this present and skills could be deployed?

- Accelerate development of consulting skills for Deloitte employees who have more “stretch” opportunities on NPI projects

## What makes the value exchange compelling?

New Profit Inc. and Deloitte both benefit in equal measure from their partnership, but in different kinds of value—in essence, Deloitte contributes expertise and time in exchange for opportunities to develop important aspects of its talent base (skills, morale, and brand).

# The example of KaBoom!

KaBOOM! expands access to playgrounds through a fee-for-service arrangement with corporate partners, who pay for the expenses associated with a build (typically ~\$60k) and often engages employees as volunteers, while KaBOOM! provides the materials and project management support. A community partner also contributes volunteers and capital (~\$10k) and serves on the planning committee for the playground.

## Contributions of corporate partners

## Contributions of KaBoom!

- Access to large pool of volunteer labor (employees)



### Reach

How will this exchange open new doors and bring greater scale?

- Corporate funding enables double-digit annual growth for KaBOOM!



### Assets

When resources are pooled, what goals are now within reach?

- Greater social return on investment of employee volunteer time by using KaBOOM!'s process expertise in building playgrounds

- Greater attractiveness to new partners thanks to the diversity, scale, and reputation of the current set



### Reputation

In what ways will this boost visibility and enhance perception with stakeholders?

- Increased corporate partner's employee morale by providing meaningful volunteer experience
- Stronger corporate reputation as a community leader



### Capabilities

What learning opportunities will this present and skills could be deployed?

- Vehicle for strengthening corporate partner's employee empathy and connection to community

## What makes the value exchange compelling?

When KaBOOM! works with corporate partners to build playgrounds, KaBOOM! benefits most from the commitment of assets and reach that corporations provide, while corporate partners benefit most from the reputational "glow" of supporting KaBOOM!'s program, both with employees and the public.

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# Monitor Institute

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## **About the Monitor Institute**

Monitor Institute is a social change consultancy that works with innovative leaders at non-profits and foundations to advance social impact across a diverse range of issues. Monitor Institute strives to be a scout for social innovation, bringing new approaches to clients and contributing to the public debate on leading-edge topics such as impact investing, strategic philanthropy, and networked collaboration. As a for-profit/for-benefit hybrid, Monitor Institute pursues social impact while operating as a fully integrated unit of Deloitte Consulting LLP.

## **About Deloitte**

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