

HOW COMPANIES BEST GIVE TO SOCIAL CAUSES

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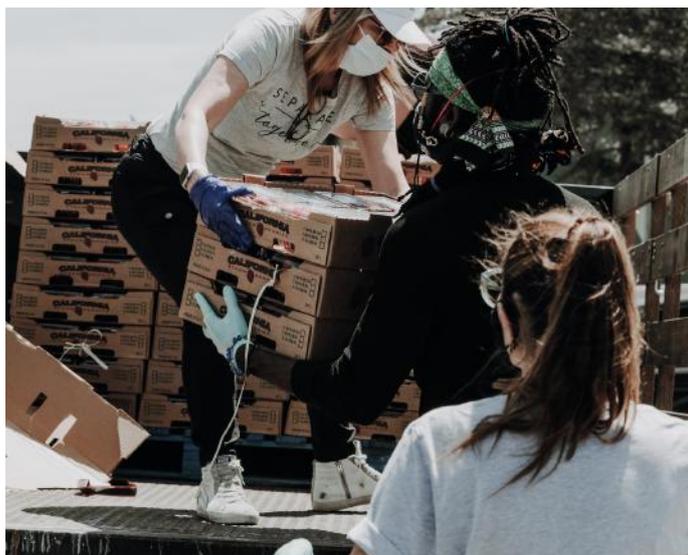
Electric cars, plant-based meat, and cures against neglected diseases. Some companies have sustainability ingrained in their mission. Yet every company can help advance social and environmental issues. This is traditionally the domain of corporate social responsibility (CSR). Here are four recipes to ensure that CSR, particularly corporate giving, is more about impact than marketing.

1. Funding trumps in-kind support in most cases

Employees who spend one day per year planting a few trees in their local communities. While this is a nice gesture, and every good deed is positive, there are more impactful ways for change. A law firm can, for instance, advise nonprofits pro bono on tricky legal questions. In this case, the company can leverage its expertise and the startup gets best-class advice which is usually unaffordable. However, most companies do not deal with services that can easily benefit a nonprofit. Financial donations are, therefore, often the most effective way for a business to support an NGO. In short: donate instead of offering in-kind support.

2. Look for NGOs that operate abroad

Switzerland is among the richest countries. While Swiss-based companies might want to strengthen their ties to the local community, programs abroad can help save or improve more lives.



A franc in one of the poorest countries goes further than in Switzerland. As an example, over 400'000 lives are lost to Malaria every year, mostly young children. A simple intervention such as distributing CHF 3 bed nets can save lives (see e.g. Swiss NGO Tam Tam).

3. Consider evidence-based NGOs

When you purchase a new laptop, you look out for independent reviews to pick the best product. The same should become the norm for charities. Thankfully, there are charity evaluators such as GiveWell for global health and GivingGreen for climate interventions. Based on scientific studies, they offer companies and individuals donation recommendations that maximize their impact.

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4. Support charity entrepreneurs

While larger and more established charities are a solid choice for most companies, some might prefer to work with startup charities. This could be a particularly interesting choice for business startups that want to help out their peers in the nonprofit space. Programs such as Charity Entrepreneurship incubate high-impact NGOs by matching founders with well-researched interventions every year. Funding new charities (while riskier as for business startups) can have particularly high leverage. New charity founders are also always on the lookout for mentors from the for-profit space.

Every company is different, so the above might only partially apply to yours. Yet the four recipes are worth considering to ensure your organization can help the most lives possible.

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