

## Champions for Social Good Podcast

### Strengthening Communities Through Corporate Volunteerism: A Conversation with Danielle Holly of Common Impact

**Jamie:** Hello, and welcome to The Champions for Social Good podcast, the podcast for people devoted to social impact. I'm Jamie Serino, Director of Marketing for the MicroEdge Division of Blackbaud. I'm here today with Danielle Holly, the CEO of Common Impact. Welcome, Danielle.

**Danielle:** Thank you. Thank you for having me Jamie, it's great to be here.

**Jamie:** Danielle, could you start off telling us a little bit about yourself and a little bit about Common Impact?

**Danielle:** Sure. I, right now am the CEO of an organization called Common Impact, whose philosophy is that companies have a lot more to give to their communities than their dollars, that their people, their talent, are actually their most strategic philanthropic asset. I've been at the organization now for almost 10 years and in that time have seen a real transformation in CSR.

**Jamie:** I could imagine.

**Danielle:** Yeah.

**Jamie:** Could you talk a little bit about that? How things were 10 years ago, and what you see now and maybe what's encouraging about that?

**Danielle:** Sure. So CSR started in the '60s, the '70s, and it was largely a compliance function. Answering the question, "How can companies do the least harm to the communities in which they operate?" And then it moved into a phase two, where companies were starting to realize that there's a real business value in CSR and it became more of a marketing function, a brand differentiator where companies were using it to understand how to attract new customers, new employees. And now, and what's really exciting, and what I'm seeing in Common Impact's work, and just in the space more broadly, is this third phase where companies are integrating social impact and purpose into their operations. It's moving away from being a siloed function and is a part of the business. And that's been what's really exciting to see, in the past 10 years, but just more broadly in the space.

**Jamie:** Right. Do you have any examples of organizations that you've worked with that have made that shift or are looking to make that shift?

**Danielle:** One of the companies that we've worked with for the longest period of time, for nearly 15 years, is Fidelity Investments. And they very early on realized that their role in the community was more than just making money and their culture was so critical to their business thriving. And what we see in our programs is a shift from a partnership with CSR or the foundation or the philanthropic arm, and towards the business unit. So with Fidelity, in 15 different business units within Fidelity, the SVPs, the line managers are using skills-based volunteering, the alignment of the skills and talents of employees towards non-profit challenges that they're best positioned to address. We're seeing that as a talent development and experiential learning tool that business heads are using to develop the competencies in their people that they need to thrive.

**Jamie:** Right. Can you tell us a little bit more about some of the challenges of moving towards a skills-based volunteering program, as opposed to a check the box kind of thing?

**Danielle:** We have seen an analogous shift, the shift that we've seen in CSR is true also in this sub-sector of CSR around community engagement and volunteerism. And started very much as traditional volunteerism where the biggest value was the hours that employees were devoting and it was check the box, it was, "How many hours can we devote to the community?" And doing things like painting fences and building houses and ladling soup in soup kitchens, which is all work that needs to happen. So that has its place, but what we've seen is a transformation to aligning the skillset, and what's hard, and where the challenges are is that that takes real customization. 'Cause you and I can both grab a can of paint and go paint a fence, but you and I both couldn't build a marketing plan, or develop a strategy for some organization. So thinking about that alignment has been something that companies have really thought about, how to resource.

**Jamie:** Okay. And is that how Common Impact works with the organizations? Can you tell us a little bit more specifically about what you guys do?

**Danielle:** Sure. So Common Impact builds CSR strategies and skills-based volunteer programs for companies with the idea that when you direct the skills and talents of folks into the non-profit sector you're building the capacity of the non-profit sector, and we'll talk a little bit about that. But you're also building the talents of employees. And what we do is identify, "What is a company good at? What do they wanna give back to their communities? What are they uniquely positioned to address? What does that look like?" And then thinking about the models that work, whether it's a skilled day of service, a hackathon, whether that's a longer term consulting engagement, whether that's board service, figuring out the different portfolioed models that work for companies, and then helping them implement them, and evaluate.

**Jamie:** Okay. Can you tell us a little bit more about helping organizations implement those programs and then the evaluation piece?

**Danielle:** Sure. So the implementation most of the time that is spent both on the company side and Common Impact's side is getting the right people and the right projects. When you get the right project scope, you get the right non-profit organization that's ready to engage and absorb the services of the skills based team, and you get the right team that has the right set of skills but also the motivations they need to really drive a project forward, it largely manages itself from there. We do manage it along the way and make sure that we're avoiding the pitfalls of traditional volunteerism where folks get too busy and they say, "You know what, I just can't do this anymore." So we keep that on track, but a ton of the effort is making sure that the program is designed effectively upfront and that the matches are made well.

**Jamie:** Okay. And so by doing that upfront work you're able to have a benchmark I guess and then in a certain period of time you evaluate and you measure. So, can you tell us a little bit more about that?

**Danielle:** We think about measurement in three ways. First is the social impact, "What is the long term benefit to the organizations that we're serving?" And when we're serving their capacity building functions, it's usually the number of hours that they're saving, not figuring out how to make their wonky database work and they're able to redirect towards the more critical strategies and program work. What is now possible when you have an infrastructure in place is essentially the question we ask in the evaluation phase. The second dimension is employee engagement. So we test, "How do employees feel about their role, their company, their knowledge of the community and the social issues that it's facing?" One of the things that I'm always surprised by at the end of our programs is one of our strongest metric I think it's something like 98, 99%... One of my colleagues thought our survey tool was broken.

[laughter]

**Danielle:** Employees feel really proud to work for the companies that have given them this opportunity that they feel invested in, the social and community work their company is doing is authentic because they're not just throwing money at it. So that's been one of the most powerful metrics. And then finally, the third dimension is talent and leadership development. "What are the specific competency skills that these employees have learned by working in scrappy non-profit environments?" At large companies so often, employees are exposed

to just a small slice of a larger challenge or a larger project, they're gathering the requirements for a project or they're evaluating it, but they're never seeing it soup to nuts. And at small, non-profit organizations you have no choice but to look at the full business and think about how marketing and operations and finance and strategy and business planning, all intersect. And that's incredibly eye-opening and expanding for most employees.

**Jamie:** Right, that's great. Do you help the organizations connect the dots as well with let's say their recruitment efforts for new employees to be able to boast about some of these things that they do to get new employees and retention efforts. Anything there like that helping them to connect the dots there?

**Danielle:** Yes. So companies are really hearing the drumbeat of the millennial work force. And I don't like to pin the desire to have meaning or purpose on any one generation. We all want that, right?

**Jamie:** Sure. Yeah, yeah.

**Danielle:** But I will give credit to millennials for giving a voice and a platform for that work. And about 75% of millennials will make their decisions on who they're going to work for based on what those employers are doing in the community and that social impact work. So huge business value in responding to that. Beyond that as well, they want to do good with their skills so this is a natural skills-based volunteering, is a natural solution for this and it's often something that we help companies think about promoting to their potential candidates, in their recruiting strategies. And often our programs focus on new hires, the folks that are coming right out of undergrad who are not only developing the functional skills they need, but are learning how to be a grown up in a job. [chuckle] And those workplace skills that you need to function and understanding the systems and the cadence of communication and all of that.

**Jamie:** Yeah, so the other thing that you said that caught my interest was capacity building. And we're hearing a lot more about working on that for non-profit organizations as opposed to just focusing on putting money into their programs. So making sure that they're able to survive for the long term. So one of the things that you mentioned was working on building the capacity, the infrastructure of these organizations and skills-based volunteering maybe being one of the solutions there. Can you talk a little bit more about that?

**Danielle:** Sure. So non-profits right now spend about 2% of their budget on "overhead." The marketing, operations, finance, technology, business strategy that make businesses run every day. The private sector spends up to 35% typically. And part of what's driving that is that the individuals and the institutions, the foundations that fund non-profits, want to fund the direct service work. They want to fund the kid in the after school program or the food that's delivered to the homeless shelter. And that's intuitive, if you're giving your dollars you want to have that dollar realize as much impact and get right to the service recipient. But what it creates is the lack of capacity for organizations to do those programs effectively, to run those programs effectively, and to scale them.

**Danielle:** And the large, even the small companies in our world would never be able to survive with a 2% back office function. And what this has led to, I think one of the most damaging results of this is a lack of leadership in the non-profit sector. So we're getting folks who... That same millennial generation, who's really purpose-driven, we're getting folks into the sector after undergrad, but when they're 10 to 15 years into their career, the sector doesn't have the money to cultivate those leaders, to give them the skills they need to move into that next level of leadership.

**Danielle:** And we don't have the salaries to pay those people and so they go to the private sector or to these social enterprises and find good there. But what's really exciting, right now there is a conversation with new energy around the "pay what it takes" philanthropy. And Darren Walker of the Ford Foundation has been one of the most vocal people to talk about the fact that we really are under-investing in these critical organizations and thus our community services. And Bridgespan recently did a study that resulted in this article 'Pay what it Takes Philanthropy' in the Stanford Social Innovation Review, really worth the read if you have a moment, to break down exactly what that means for the sector, what it takes to run different types of organizations. So running a research lab is different from running a non-profit consulting firm, is different from running a

homeless shelter. And they created a set of tools to help organizations figure what that looks like for them, so that they could then lift that up to foundations and say, "Hey, this is the real cost of my programs." And get funding for that.

**Jamie:** That's great.

**Danielle:** The other... And this is the final I've just been completely enthralled with Curtis Klotz non-profit assistance fund, just recently came out with a, essentially a re-envisioning of what we think of as the revenue pie chart that non-profits use where you want most of that pie chart to be... Or traditionally, have wanted most of that pie chart to be direct service, the funds that go right to the programs and a small slice to be the, all of the other functions that actually make the organizations thrive. And what he has done, he's transformed the word 'overhead' into core mission support, which I love.

**Jamie:** Yeah, that's good.

**Danielle:** And has visualized that pie chart as a set of concentric circles, the center of which is the sun, the core mission support, and the programs radiating out from that. And just like our universe wouldn't exist without the sun, these programs and these organizations wouldn't exist without that core mission support. It's so simple and so elegant, but I think a real reframing of the conversation, which has been exciting to see.

**Jamie:** Yeah. I did see that, and I thought, "Wow, this is perfect to try to get people to think about this differently." And then one of the things I thought of as I read that was, "How did we get here?" And I guess I began to think, "Well, maybe people became so obsessed with the dollars going right to the recipient, the end recipient, because maybe there had been abuses in the past." Or something like that or mismanagement in the past. And so people began to be obsessed with that. You have that I think in any industry.

**Danielle:** Right.

**Jamie:** And then the industry recovers from that in some way, maybe that's what this is. But then when I thought about that recovering, then I thought, "Well, I think we're also in a better place to show more direct lines. We're better able to measure things, show direct lines from investment in this core or this infrastructure." And so I wonder if you could talk about at all, any ways that Common Impact is measuring or your clients or the organizations you work with, measuring directly how investment into infrastructure and capacity does end up leading to impact?

**Danielle:** Sure. I was actually just talking to one of our non-profit partners yesterday about an investment in their talent and leadership development pipeline. A team from Charles Schwab as part of their pro-bono challenge, which is a skilled day of service that they do in eight of their regions each year. For hours the Schwab team helped an organization think through, "What is my training and onboarding program for employees?" And part of the reason that they were doing the project was because this organization had a bunch of siloed programs and it was moving towards a more synthesized infrastructure, but its employees were really dedicated to the individual programs, not to the overall organization. So when they did that they started conglomerating the services, the employees started losing loyalty, they started leaving, they weren't able to figure out, "Why am I here?" Anymore 'cause they were connected to the programs versus the overall organizational brand.

**Jamie:** Gotcha.

**Danielle:** So this training platform doesn't sound sexy. [chuckle] Right? It doesn't necessarily demonstrate direct impact on paper, but when we talked to them a couple of months out, said, "We now have... We moved from 50% to 86% staff retention. We have an incredible culture. We have folks that are at the very junior level stepping up to management and cultivating that culture." And so you can immediately see how that's impacting the way that services are delivered. And so there's no number associated with that, right? It's not a, "We served 15 more people this month." But it's much more impactful than that. Which is exciting to see.

**Jamie:** Right, that's really cool. Alright, so with perhaps a philosophy change in the sector and then with a movement in the private sector towards skills-based volunteering you'd think, "Now these things are maybe coming together." What can you tell us about what you see for the next three to five years, where is this all going?

**Danielle:** We are just at the beginning of this third phase of CSR, where businesses are figuring out how to integrate purpose and positive social change as part of their business. And the two manifestations of that are, we've got a lot of small and medium sized businesses cropping up that have a double bottom line or a triple bottom line baked in, where their core product is already something that has a strong social impact, their employees are working on that every day. The second manifestation is that we're seeing existing companies, medium and large companies trying to re-engineer their businesses to fit into this new economy, to attract the work force and to frankly thrive in an economic environment where they are expected to have a greater level of purpose than profit.

**Danielle:** And I think when I think about separating the wheat from the chaff there, it's really going to be, one, organization's investing through their people and outside of what is traditionally considered a cost center, right, a marketing function, or a CSR function, or a compliance function into the business side. The second is admitting it's hard and really identifying and being transparent with customers and with the community around how those companies are re-examining their business practices.

**Danielle:** There are gonna be some Kodaks and some Blockbusters here, that aren't able to acclimate. When I think about current examples, Chipotle for example, has had a lot of struggles recently, but has... I've actually really applauded them because they've been really open, "This is what went wrong, and this is how we're fixing it, and we messed up again, we're gonna keep iterating until we get this right." And I really appreciate that level of transparency because it's not easy and anyone can find themselves in that position. Versus a Volkswagen, who covered it up and is now in serious reputation repair, that I don't think they'll recover from because they weren't transparent.

**Jamie:** Right. So one final question there regarding where things are heading. Does Common Impact work at all with the sustainable development goals with your clients? Do you talk about those? Do you strive to hit those in any of the 17 goals? Can you tell us a little bit about that?

**Danielle:** There is a remarkable initiative happening right now called Impact 2030, that is aligning corporate volunteerism to the sustainable development goals, and it's still in its initial stages, but it's right now, and Common Impact is supporting this effort, figuring out how to get companies to work together to figure out what... Getting back to our earlier point, "What are they best positioned to address? How do they fit into a much larger equation than what they see within their four walls?" And that is progressing really steadily and quickly, and that's exciting to see.

**Danielle:** Also speaking of what is the next generation of this, having companies come together and be... To come outside of their competition, their daily competition, and figure out how we're working together because we're gonna be lifting all shifts eventually, that's what Impact 2030 is about. So it's really exciting to see and attempt to organize that. It's gonna be hard.

[chuckle]

**Jamie:** Yeah, yeah.

**Danielle:** But it's really exciting work 'cause I think that's where the change is gonna happen.

**Jamie:** Yeah, it is aspirational, but it is encouraging to see everyone working towards that.

**Danielle:** It is.

**Jamie:** Okay, Danielle, thank you very much for joining us today. It was great having you. For those listening, if you'd like to learn more about Common Impact, you can go to [commonimpact.org](http://commonimpact.org). You can also follow them on Twitter @CommonImpact. You could follow me on Twitter @jamieserino. MicroEdge's Twitter handle is @MicroEdgeLLC, and Blackbaud's is @Blackbaud. Thank you for listening.