The Edge: The Power of Strategic Philanthropy

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If you own a business, or serve as an executive on your corporation’s leadership team, it is likely you will be asked (many times) to donate your time and/or money to some worthwhile causes. Most of us have a giving heart, but when it comes to giving up resources from a business perspective, there should be sound strategy behind that giving.

Donations of time shouldn’t be taken lightly. Non-profit organizations are likely to reach out for your participation on their Boards of Directors or events committees. It can be a real honor to participate in these groups, but it’s important to think about why you’re doing it. Networking with other community leaders that serve on the same board can have significant value on its own, so that may be the benefit that makes your donation of time worthwhile. Even if the requesting organization isn’t tied to your specific industry (i.e. you own a computer software development company and the local arts agency asks you to be part of their gourd), the fit may be a good one based on the networking opportunities alone. Just be sure that your time is well spent and has some benefit to your overall business model. After all, it is likely your donated time will occur during business hours.

Before agreeing to join any board, ask plenty of questions. Some boards are more interactive than others. For example, some board members have voting rights, others don’t. Some require both time
and financial commitment. Others may require your attendance at not only monthly board meetings, but bi-monthly committee meetings as well. Can you spare that kind of time?

And once you’ve taken on that new volunteer role, there is nothing wrong with leveraging the news. Put out a press release announcing your company’s involvement on that Board. Blog about the cause you’ve joined. Tag the non-profit in your social media posts.

From a financial standpoint, your company may be solicited by many different types of local organizations for monetary donations. From little league football teams to environmental conservation groups to major national non-profits, if your business is profitable, you are likely to consider charitable giving. Being a good corporate citizen includes giving back, but again, it is best to align yourself with causes that make sense for your business. For example, I own a public relations agency. In the past, we have given monetary donations to local literacy programs, because those programs directly support a cause that we are very close to (as 75 percent of our work for clients is done through the written message). This aligns with our company mission and goals. And while my neighbor’s son may be near and dear to my heart, supporting his hockey league with my business brand doesn’t make as much sense (although a personal donation is certainly warranted!)

For any type of sponsorship, typically you will receive some variety of benefits for your donation. For example, if you sponsor an event, your company may receive complimentary seats to that event, but also the opportunity to feature your logo on the organization’s website and event program/agenda. Perhaps you’ve donated at a level that allows you to leave behind your own company brochures at each attendees seat, man a booth or provide a few spoken words at the podium. Certainly take advantage of these opportunities! They are crucial to making your investment worthwhile.

In the end, if you are approached to volunteer time or money to an organization to which you personally have great passion – and that donation doesn’t happen to have a direct benefit for your business – please don’t hesitate! Just know that you don’t have to take every philanthropic opportunity that comes through the door. It’s okay to be strategic.

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