

CONNECTED EDUCATION
EVERY LEADER, EVERY
TEACHER, EVERY LEARNER

BRIDGE

LINKING INNOVATORS IN EDUCATION

Corporate social investment (CSI) in South Africa

30 August 2017

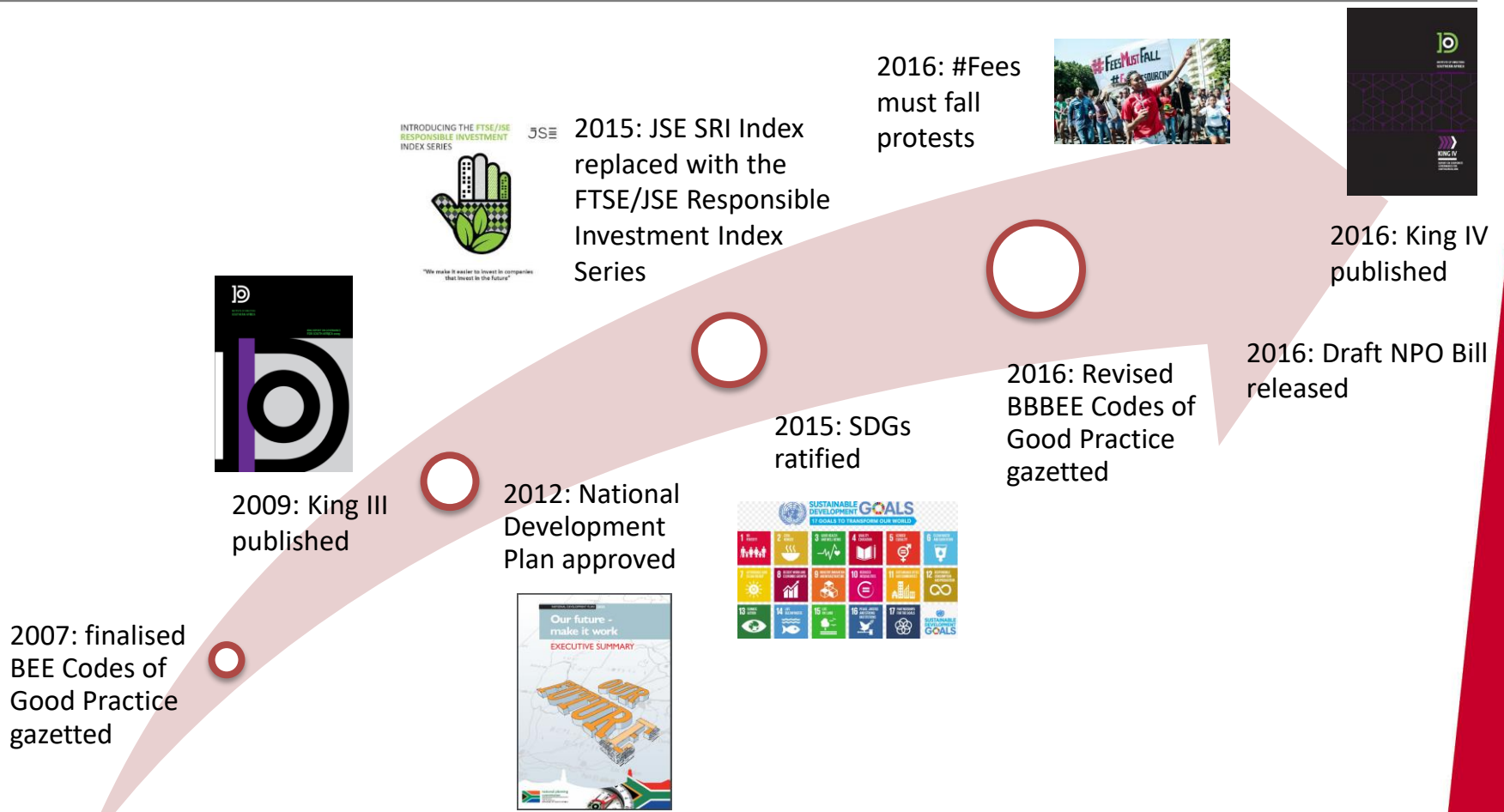
Presented by: DAMIAN WATSON

trialogue

Agenda

- Evolution of social development and Trialogue
- State of CSI in South Africa
- Forecasting trends
- Fundraising implications

10 years of social development in South Africa



Ten years of Trialogue and our CSI conference



2016: Southern Africa partner of CECF's Global Exchange



2015: Funders Guide launched



2013: Trialogue launches CSI forums



2007: First 'Making CSI Matter' conference at Indaba hotel

2006: CIDA becomes shareholder of Trialogue

2009: Launch of the Social Map

2012: Trialogue Level 1 BEE score

2014: Strategic CSI award launched

Social benefit	Beneficial impact	Developmental CSI	Strategic CSI
	Beneficial outcomes		
Visible outcomes	No visible benefits	Charitable grantmaking	Commercial grantmaking
	Corporate benefit	No visible benefits	Recognition of shareholder benefits

2016: Partner with CLEAR-AA on African



2016: Trialogue becomes 51% black-owned

2017: 10th conference renamed 'Business in Society' conference



2017: 20th CSI Handbook renamed 'Business in Society' handbook

2017: Launch of the Trialogue Knowledge hub



- Over **70 blue-chip South African corporates** supported with their CSI strategies, implementation, measurement and reporting.
 - Over **200 CSI practitioners** trained by Trialogue
 - Over **3 000 delegates** at our conferences

CONNECTED EDUCATION
EVERY LEADER, EVERY
TEACHER, EVERY LEARNER



State of CSI in South Africa

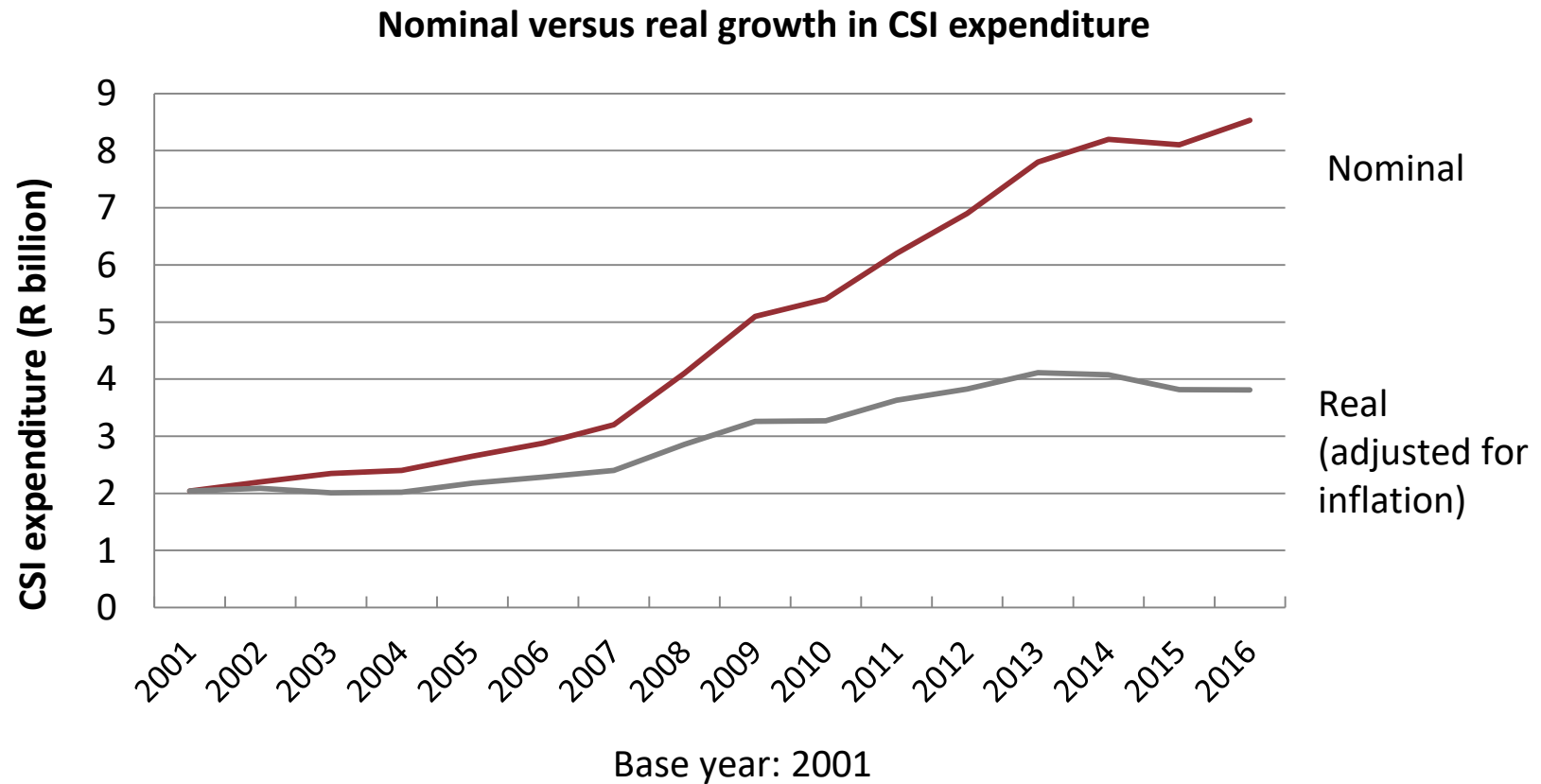
Terminology

- **Corporate Responsibility (CR)**
 - Sustainable Business
 - Sustainability
 - Corporate citizenship
 - Triple-bottom-line
 - Corporate Responsibility (CR)
- **Corporate Social Investment (CSI)**
 - Socio-economic development (SED)
 - (Strategic) philanthropy
 - Corporate community involvement (CCI)

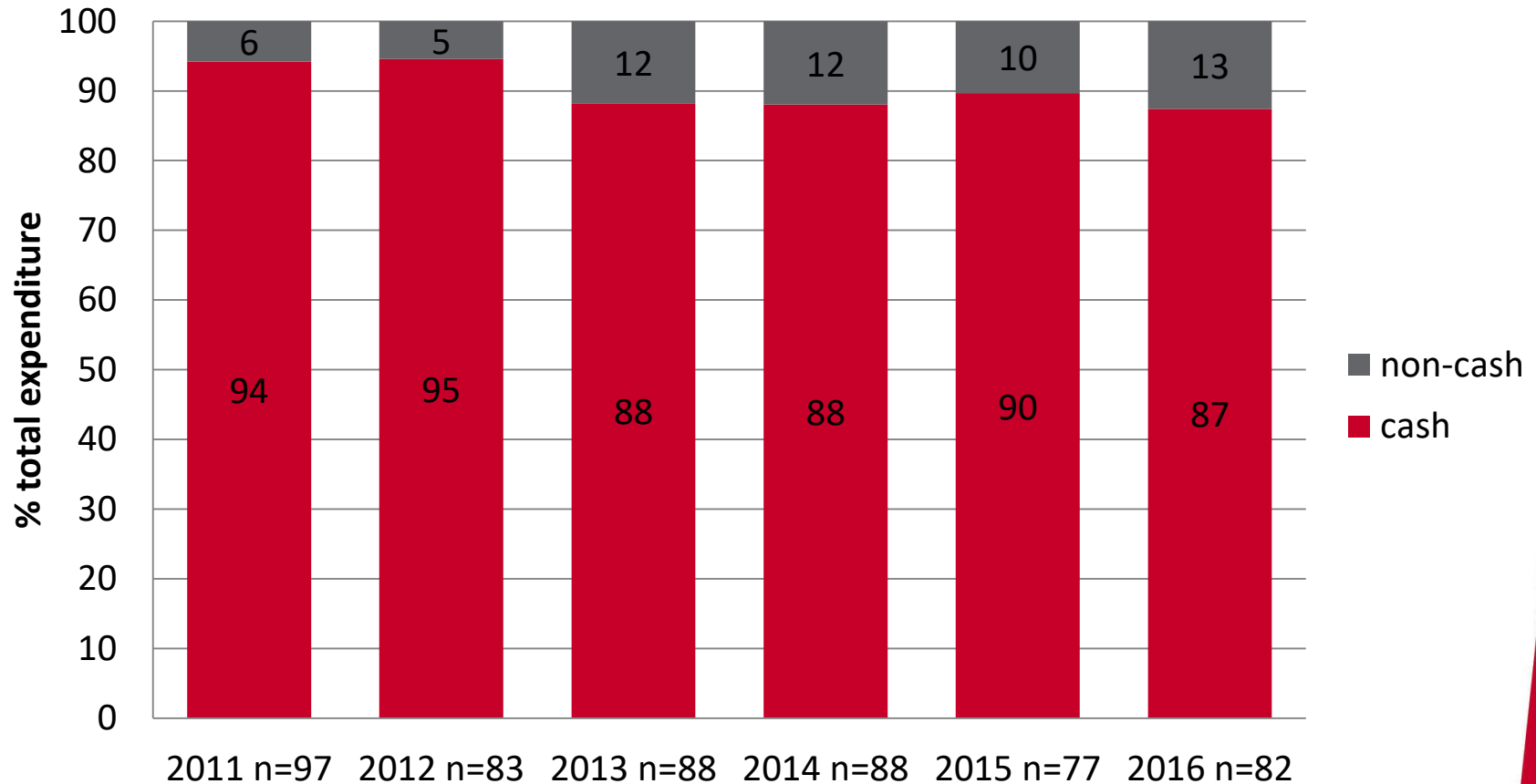
Defining CSI

- A **social intervention** with a **developmental intent**
- **External** to core business function
- Not in direct pursuit of revenue or profit, but can cater to the **interest of business**

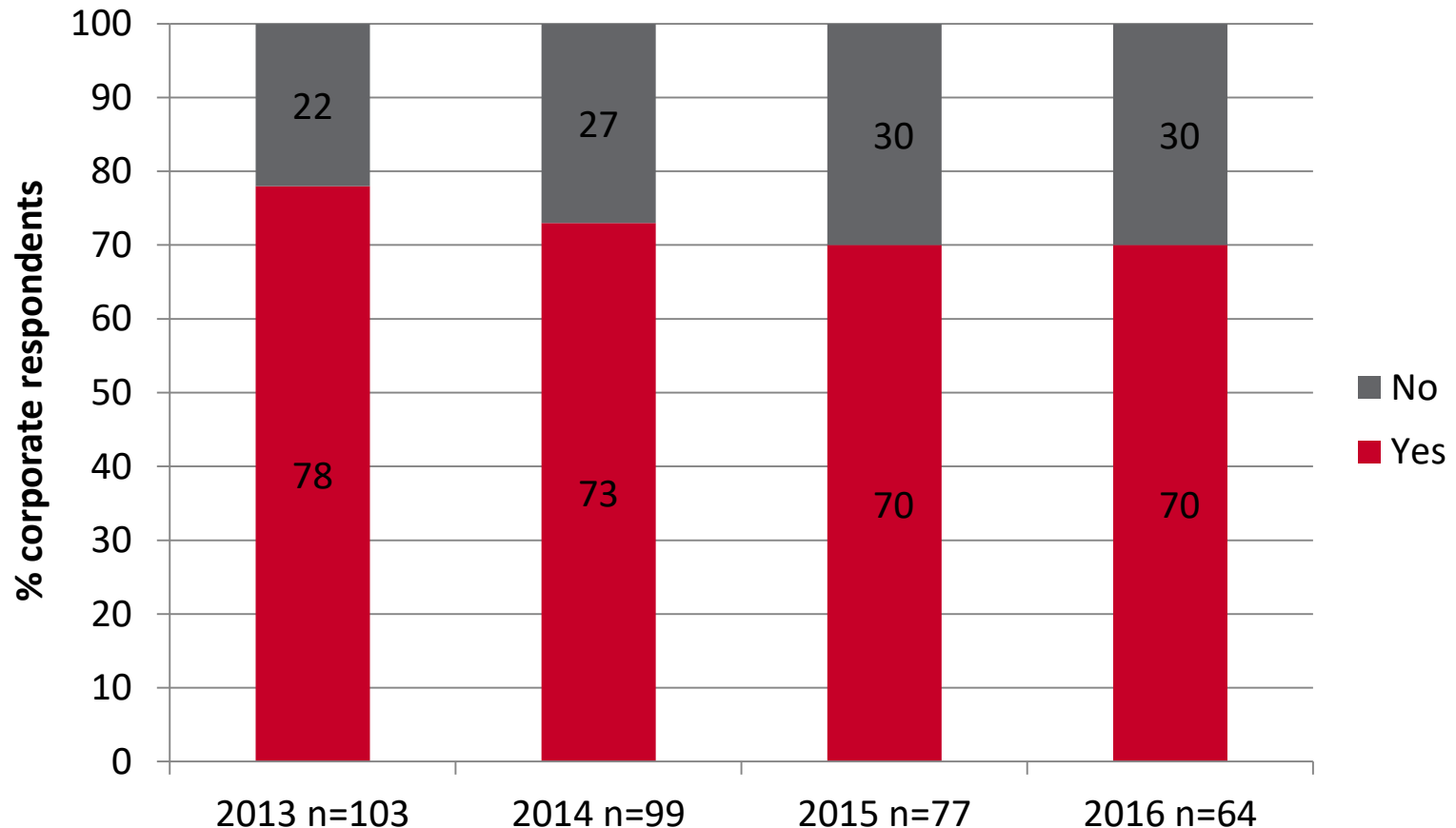
CSI expenditure in South Africa is estimated to be **R8.6 billion** in 2016



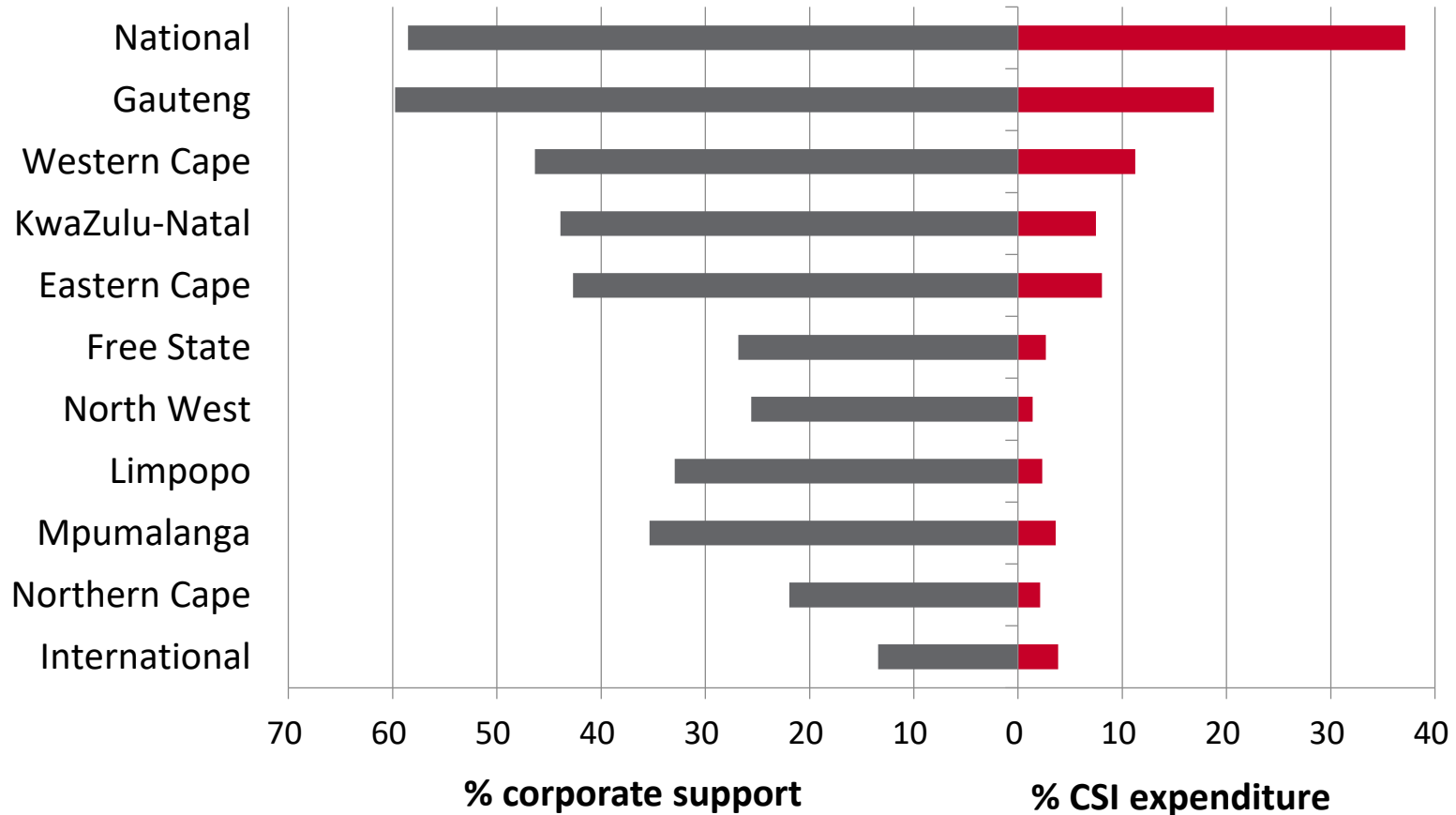
A third of companies report non-cash giving, which constitutes 13% of total CSI expenditure



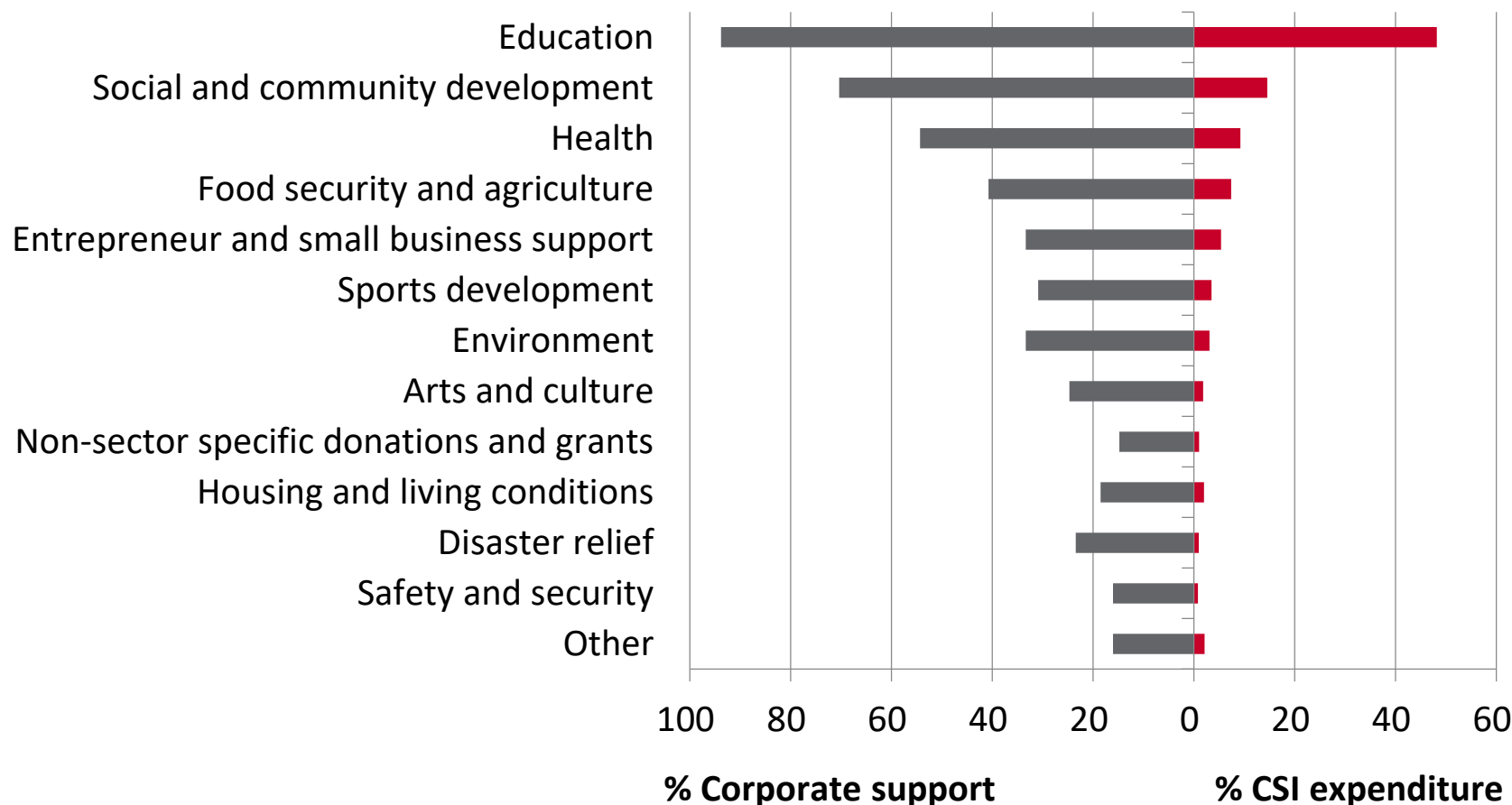
Like last year, 70% of companies have a formal employee volunteering programme



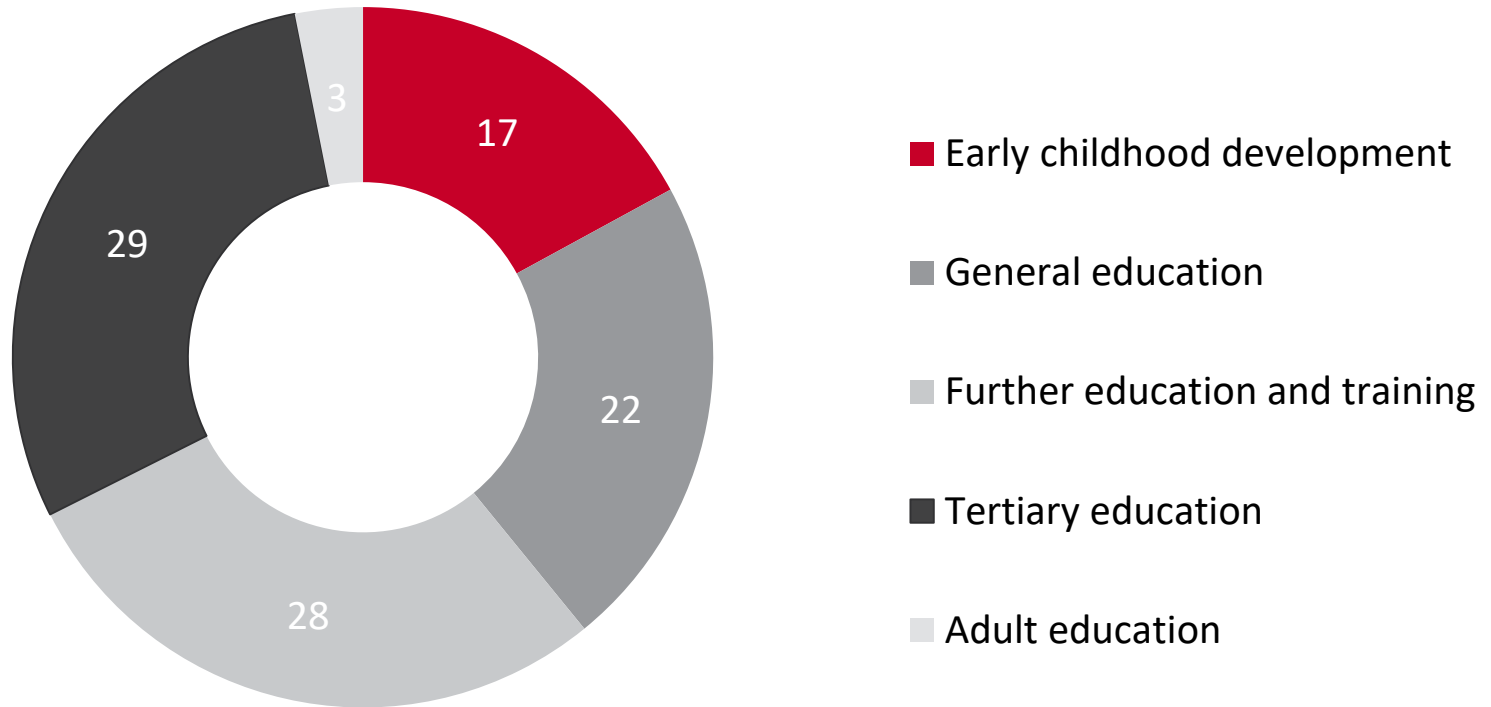
CSI expenditure continues to be concentrated **nationally** and in **Gauteng**



Education continues to receive the most support

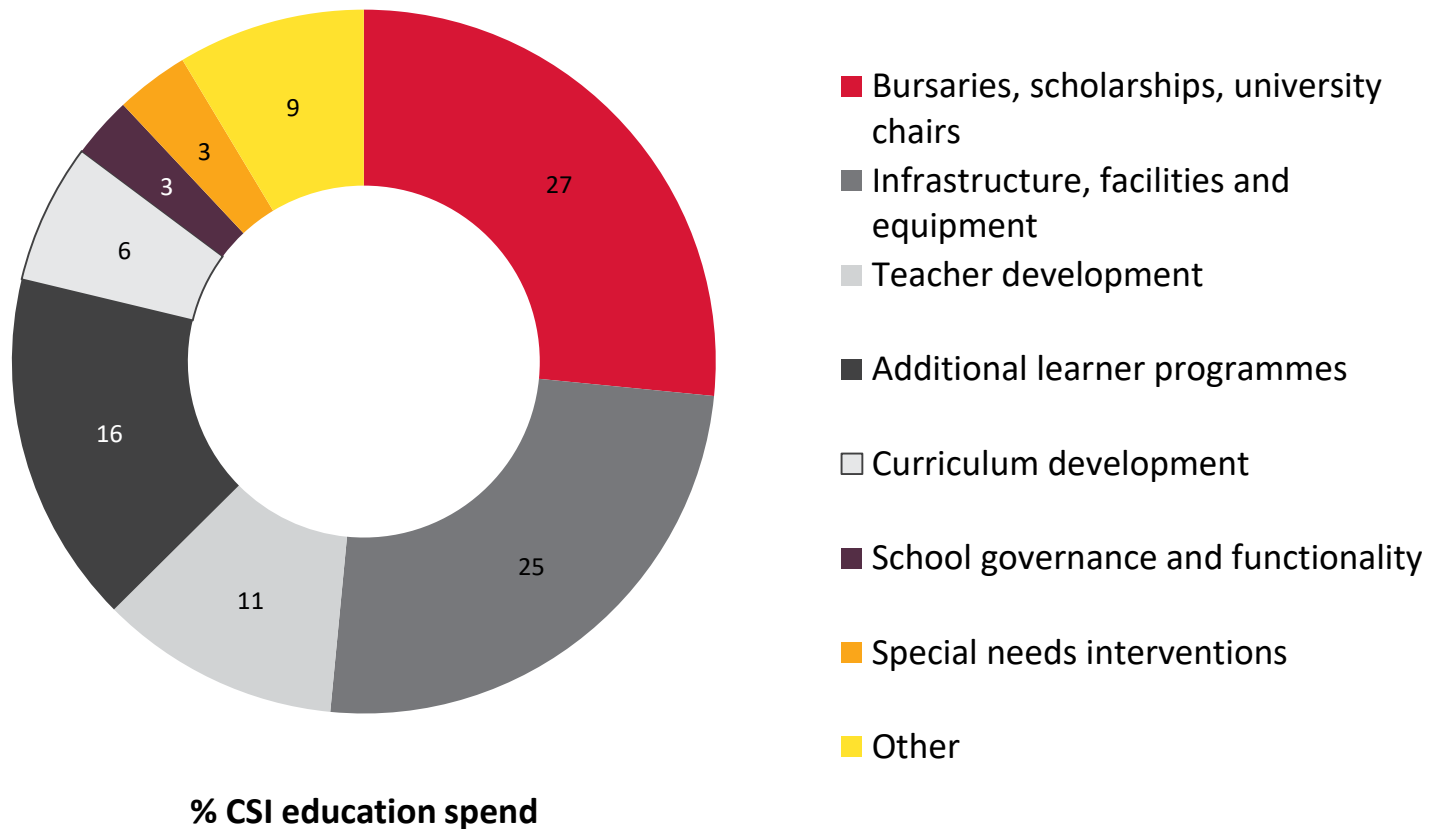


Half of education expenditure goes to school-level education and 29% to tertiary

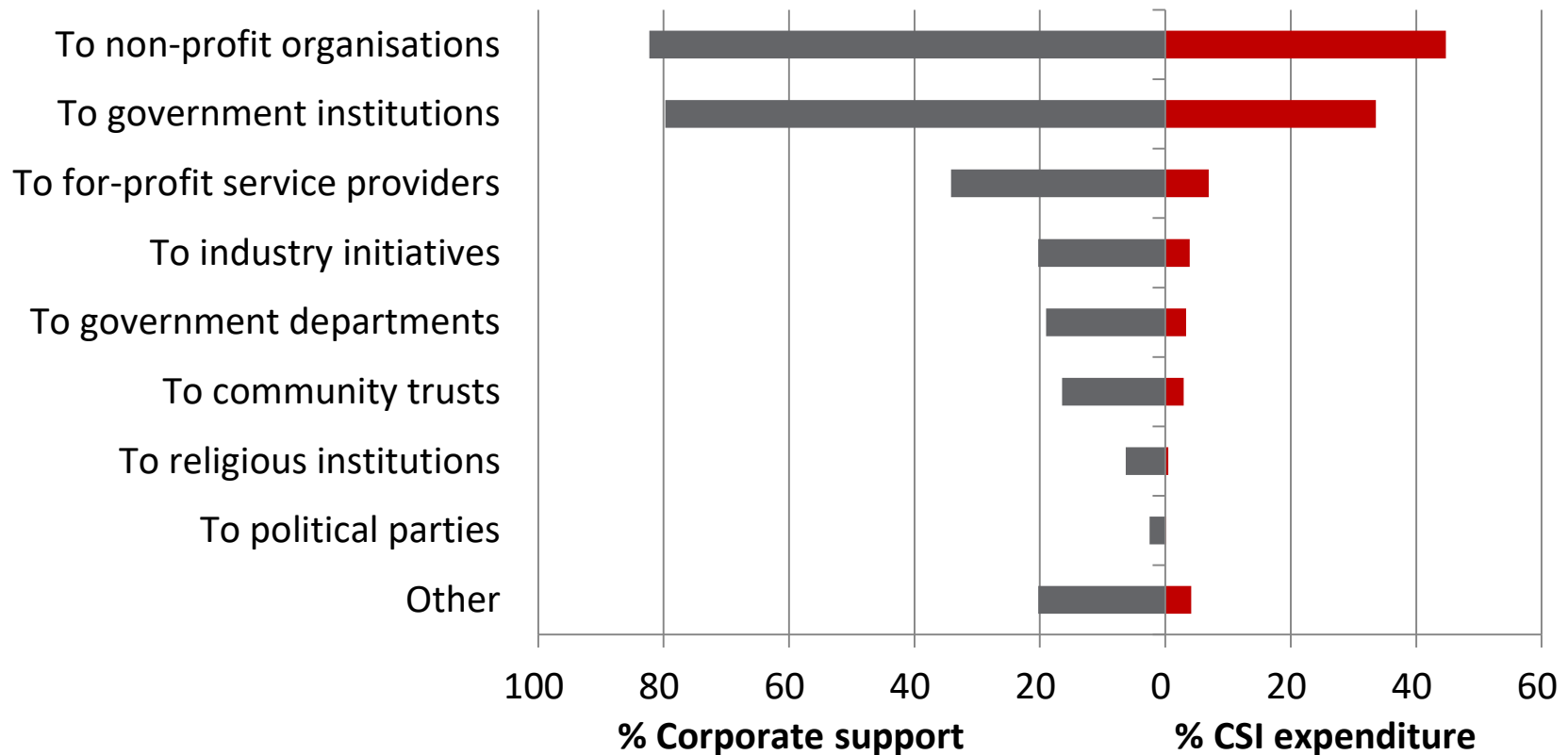


% CSI education spend

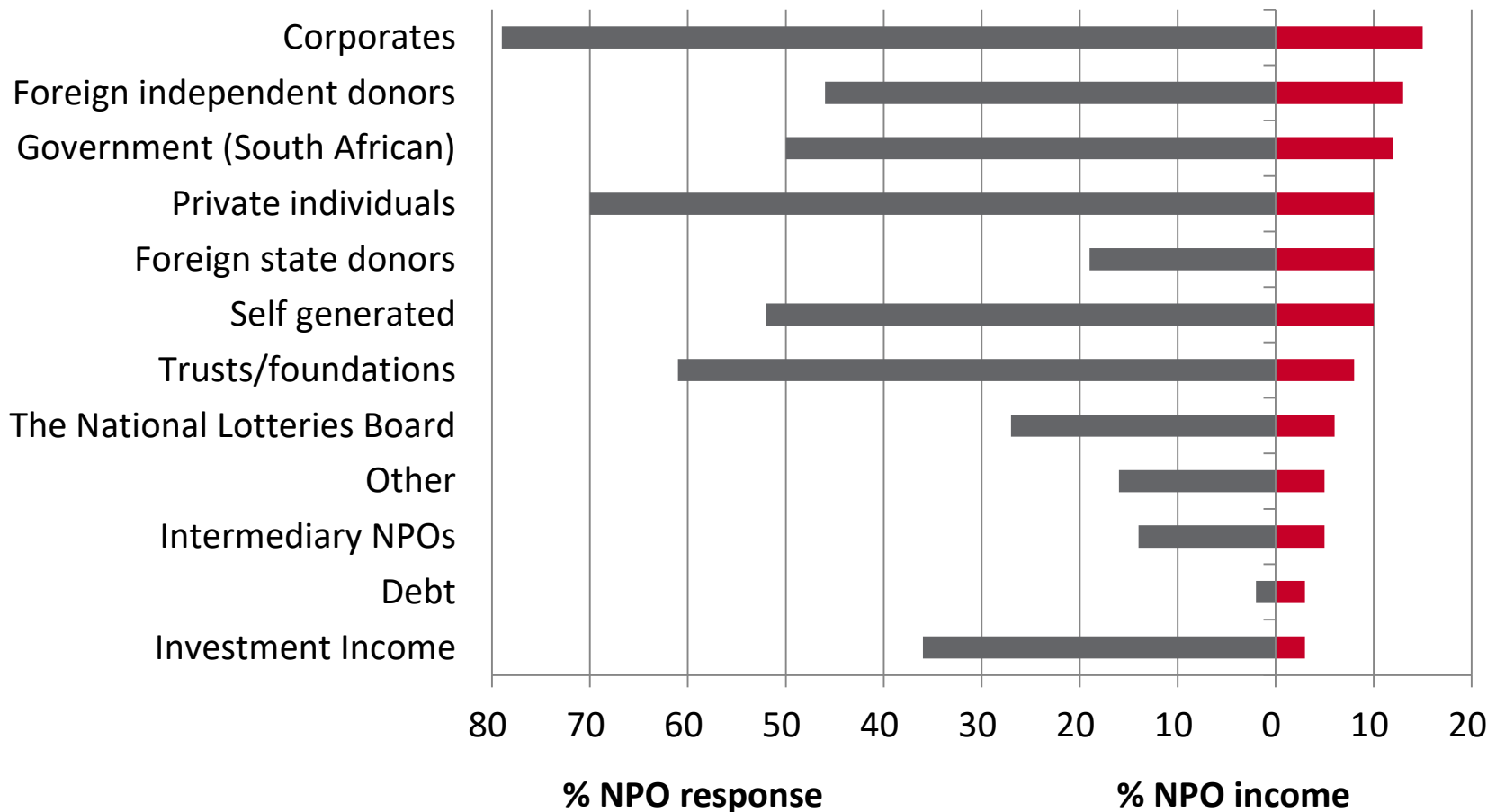
Teacher development receives 11% of the education funds



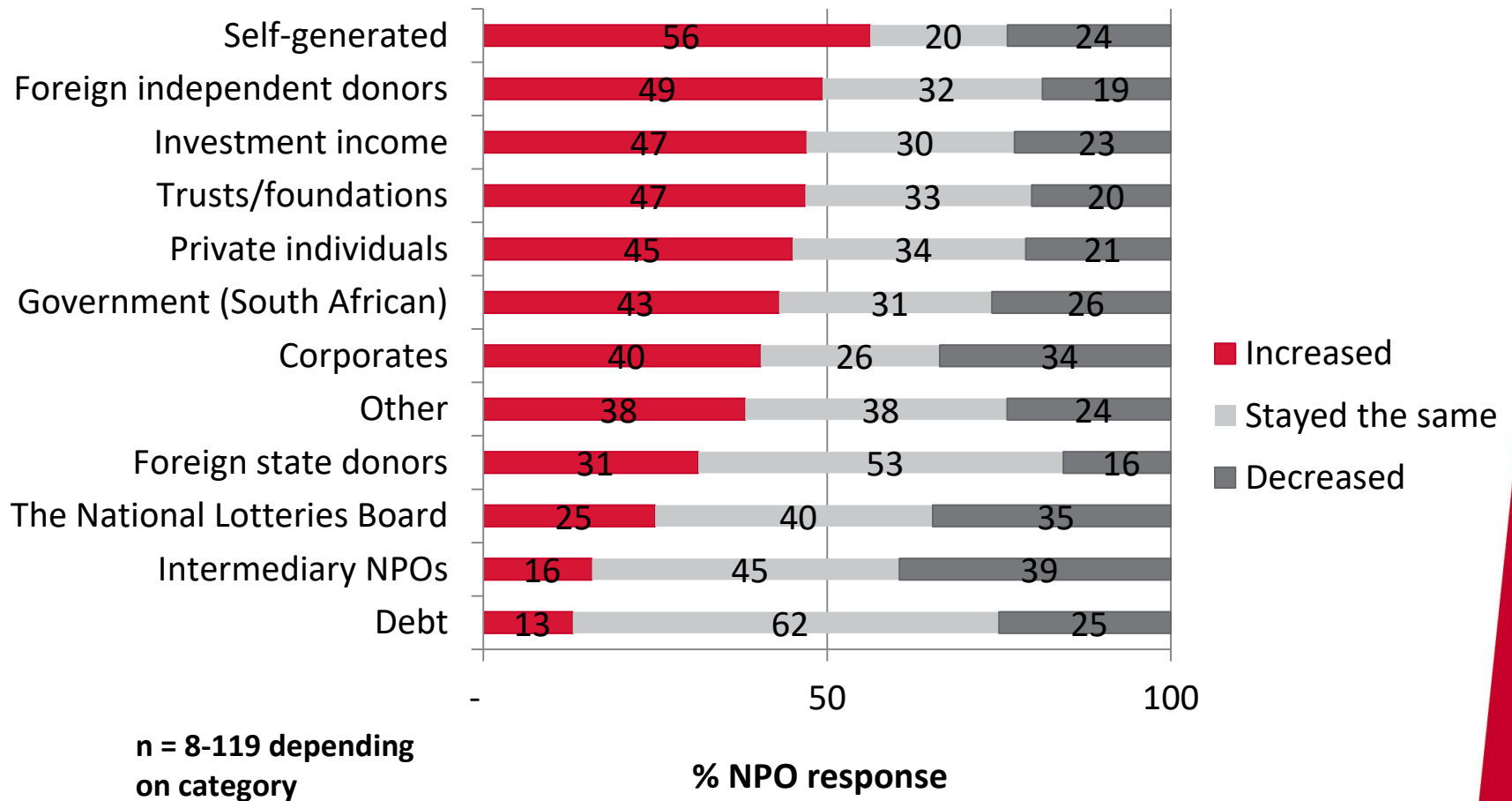
Over 80% of corporates fund **NPOs**, which received 45% of total CSI expenditure



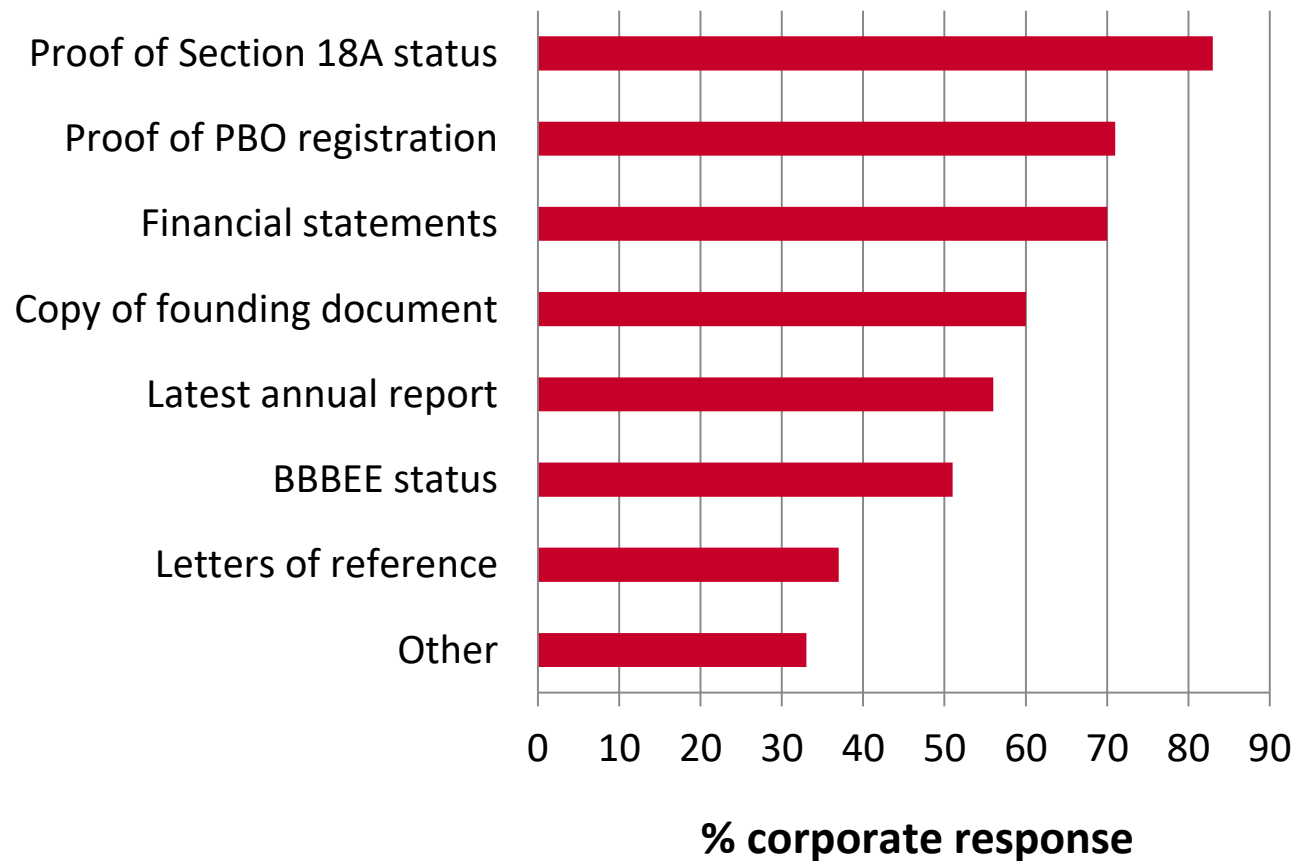
Corporates surpassed government as the largest source of NPO funding in 2016



Over half of the NPOs (56%) increased their self-generated income



Documents required by corporates before funding NPOs



Anglo American and Nedbank were perceived by companies and NPOs as delivering the most impact

Corporates' ranking of corporates	Company	Number of mentions
1	Anglo American	18
2	Nedbank	16
3	Woolworths	15
4	MTN	11
5=*	Old Mutual	10
7	SAB Miller	9
8=*	First Rand FNB	6
10=*	Multichoice Telkom Transnet	5

NPOs' ranking of corporates	Company	Number of mentions
1	Nedbank	27
2	Anglo American	23
3	Old Mutual	18
4	ABSA	13
5=	FNB Investec Vodacom	11
8=*	Standard Bank Woolworths	10
10=*	Discovery Pick n Pay	8

Africa Tikkun was perceived by companies and NPOs as delivering the most impact

Corporates' ranking of NPOs	Company	Number of mentions	NPOs' ranking of NPOs	Company	Number of mentions
1	Afrika Tikkun	8	1	Afrika Tikkun	8
2	Gift of the Givers	6	2	Inyathelo	6
3=*	Smile Foundation Stop Hunger Now	4	3=*	Gift of the Givers, Reach for a Dream	5
5=*	CANCA, Doctors without borders, NECT PROTEC, Tshikululu	3	5=*	BRIDGE CHOC Greater Good South Africa, Ikamva Youth Ilifa Labantwana JAM LIV Village Smile Foundation	4
10=*	Buffelshoek Trust ENACTUS Ilifa Labantwana Inyathelo Love to Give MES Nelson Mandela Childrens Fund Sparrow Schools SPCA Time for Change WESSA	2			

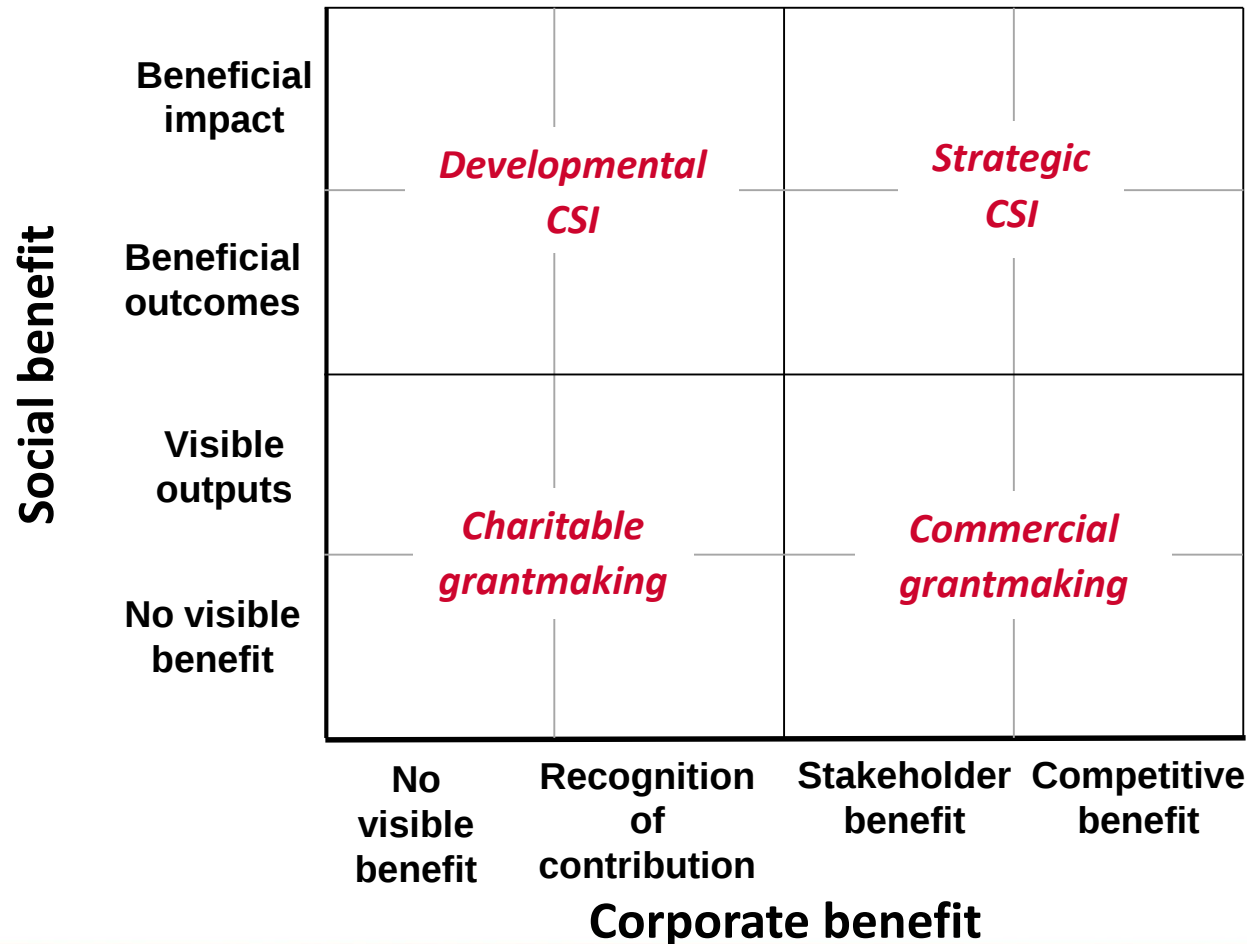
CONNECTED EDUCATION
EVERY LEADER, EVERY
TEACHER, EVERY LEARNER



Forecasting trends

trialogue

CSI is becoming more strategic



More focused CSI



"That's been one of my mantras—focus and simplicity. Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple. But it's worth it in the end because once you get there, you can move mountains."

Steve Jobs

"If you chase two rabbits, both will escape"

Unknown

Involvement in advocacy work

“Most of the important things in the world have been accomplished by people who have kept on trying when there seemed to be no help at all.”

Dale Carnegie

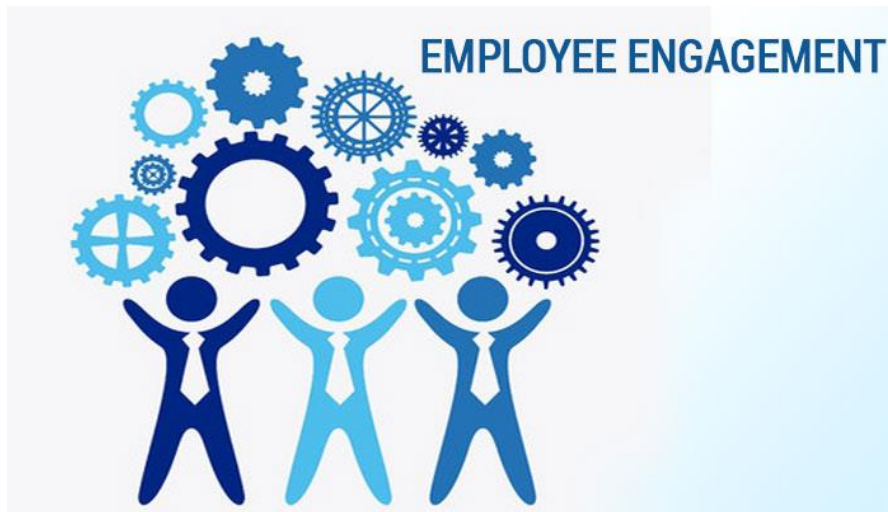
Why Advocate?

“Unless someone like you cares a whole awful lot, Nothing is going to get better. It's not.”

- Dr. Seuss, The Lorax



Greater employee engagement



"In my view the successful companies of the future will be those that integrate business and employees' personal values. The best people want to do work that contributes to society with a company whose values they share, where their actions count and their views matter ."

Jeroen van der Veer, Committee of Managing Directors (Shell)

More consumer buy-in



"People are going to want, and be able, to find out about the citizenship of a brand, whether it is doing the right things socially, economically and environmentally."

Mike Clasper President of Business Development, Proctor and Gamble (Europe)

Increasing collaboration



"There is great value in diversity when solving complex problems"

Barbara Dale-Jones

BRIDGE

"Alone we can do so little; together we can do so much"

Helen Keller

More innovative financing

“The Social Impact Bond shines a spotlight on what works.”

George Overholser

Investor and Social Entrepreneur

“A crowdfunding platform broadens the funding market and allows investors to finance the project irrespective of location.”

Prisiliya Madan, Cyclists for Change



Rise of technology and data



“Without big data, you are blind and deaf and in the middle of a freeway.”

Geoffrey Moore, author

“Hiding within those mounds of data is knowledge that could change the life of a patient, or change the world.”

Atul Butte, Stanford University

CONNECTED EDUCATION
EVERY LEADER, EVERY
TEACHER, EVERY LEARNER



Fundraising implications

Target your approach to companies whose work is aligned to what you do

- Seek a **variety of funding sources** to address different operational requirements i.e. not only corporates
- Understand **strategic CSI positioning** of company (including business strategy and how CSI supports it)
- Target **fewer**, more **relevant** CSI budgets i.e. those where your offering is aligned to the CSI strategy and the company's business
- Strive to **engage at a direct and senior level** (rather than submitting unsolicited proposals)
- Involve your **leadership** in process to secure funding and agree terms
- Ensure the '**compliance**' boxes are ticked
- Be proactive in suggesting **win-win** solutions

Work with companies as **partners**

- Identify financial and **non-financial needs** suited to company
- Strengthen relationship through **volunteerism** offering
- Consider if/how a company's **consumers or other stakeholders** can be involved in the work you do or in raising funds
- Adopt a **partner** mindset
- Support **company brand** where appropriate, including with the use of social media
- Build in **monitoring (and evaluation** if possible) as part of the deal and consider how technology can be used to support this
- Be **transparent** in **reporting** of performance and financials (challenges to be shared and confronted, not hidden)
- Review and consider how you could be involved in sector-wide **collaborative initiatives**

CONNECTED EDUCATION
EVERY LEADER, EVERY
TEACHER, EVERY LEARNER



Questions

damian@trialogue.co.za

cathy@trialogue.co.za

trialogue