

# Four Problems, One Solution: PHILANTHROPY



Four companies from an event planner to a cement maker develop philanthropic events to address four different objectives: Build customer relationships, differentiate an event from the competition, strengthen retailer loyalty and unite corporate executives.

## 1. Build Customer Relationships

**Conferon Global Services Inc. takes its best customers for a ride at a corporate event, where they bond over bicycles.**

For the last eight years, the meeting-planning company Conferon Global Services Inc. has held an annual meeting and trade show for its clients and suppliers. The 2.5-day show includes an event for what the Twinsburg, OH-based company calls its Platinum Partners. Representing essentially the top 20 percent of its accounts, these customers — such as Sage Software Inc. and the American Industrial Hygiene Association — are feted and fawned over.

But every year Conferon faces the same old challenge: how to break the ice between its clients and its own staff, many of whom are strangers to one another. As the number of Platinum Partners grows — a 33-percent jump from 60 in 2003 to 80 in 2004, and a 25-percent increase to 100 in 2005 — the ice has started to look more like an iceberg.

When Conferon prepared for its 2004 show in Houston, it decided to depart from the usual buffet and booze, and host an event that better reflected the company culture. “The company runs on our



founder Bruce Harris’ motto,” says Karen Watson, Conferon’s director of client services. “You do something because it’s the right thing to do.”

In the past the “right thing” included sponsoring the Professional Convention Management Association’s Helping Hands program, which organized activities ranging from cleaning community centers to painting women’s shelters during the association’s annual meeting.

In 2004, Conferon felt the “right thing” was to involve guests in a physical activity, like those for Helping Hands, but nothing competitive, since an I-win, you-lose atmosphere might raise walls between the guests instead of lowering them. “We wanted them to work toward a goal that had real consequences if they succeeded, and the only way they could succeed was by working together,” Watson says.

The idea for the event came from the destination-management company (DMC) Conferon uses, Cosmo Cool Concepts Inc. of Houston. The DMC suggested the guests build bikes to donate to children. "The event wouldn't run much longer than the usual events — three hours — and didn't require any special technical knowledge," Watson says.

Inside the Hyatt Regency Hotel ballroom, 20 Conferon staffers split the 80 customers into 20 teams. The staffers passed out bike-part kits and attendees bargained for decorations at a "bike store" Conferon set up on site. A bicycle mechanic roamed the bike-making tables to make sure they didn't come out looking like an Alexander Calder mobile. The other tables used the art supplies to create decorative cards to stick in the bikes' spokes.

Halfway through the three-hour event, the bike-building and art-making teams switched tables. Then the mechanic inspected the bikes to make sure they were road-worthy.

When they were done, the attendees donated the bikes to Spaulding for Children, a Houston-area charitable foundation. At the formal presentation to the foundation, they proudly wheeled their handiwork across a stage, showing off bikes gussied up with flower-power themes, Batmobile motifs, and other color-crazy patterns.

Because Conferon founder Harris believes you should be above even the suspicion of an ulterior motive for doing good, the company didn't



Teams of attendees built bicycles, then gave them a personal touch with handmade decorations.

issue a press release. And it didn't coast on its success at the 2004 event. Instead, the company prepared for the

2005 conference in Seattle, where it landscaped, painted, and refurbished Cobb Center, a residential treatment center for young boys.

"In 2006, we might build a playground at a Denver event," Watson says. She expects as many as 120 attendees this year. The clients may be Platinum, but the company's do-the-right-thing culture makes it pure gold.



## 2. Differentiate Event from Competitors'

**I-Behavior Inc. draws attendees to its event — and away from competitors' events — with a chance to smash their thumbs under a scorching sun.**

"Charity begins at home," goes the old proverb. For I-Behavior Inc., it begins by building one.

The Harrison, NY, provider of database services for direct marketers wanted to hold an event for its clients during the annual Catalog Conference last May in Orlando, FL. In the past, this meant a generic cocktail-sipping, sushi-eating reception — no different from the clones its competitors held. "It cost tens of thousands of dollars and didn't really connect us to our clients," says Sam Cardonsky, I-Behavior's vice president for membership development. "The money could have been put to better use."

Cardonsky mentioned to I-Behavior's executive team that he volunteered for a Connecticut-area Habitat for Humanity International project, and described the experience of building a house for the nonprofit organization, which has constructed 110,000 homes in more than 2,000 communities, bonding

people together as tightly as a flush screw.

"It's what we needed," says Mary Cucinell, I-Behavior's CEO. "An event that would bring the company and our customers together for something more important than a martini."

The company turned to Kinsley & Associates LLC, of Littleton, CO, to produce the event. From mid-March to mid-May, it blasted four rounds of pre-event e-mails to 500 catalog-sending clients,

such as Restoration Hardware Inc. and Sharper Image Co., with the last going out a week before the show opened May 22. The blasts invited them to take part in a "Blitz Build," where volunteers build the frame for a single-family home in just a few hours. Customers could click on links in the e-mail invitations, which took them to a Web site with online registration and waiver forms.

Volunteers could schedule their transportation to the event at any of four times between 7:30 and 9:30 a.m., and the invitation made it very clear that participants did not have to stay for the entire day and could come and go when they wanted, just like at a hotel reception. "It's important that no part of a philanthropic event feels

forced," says Allison Kinsley, CEO of Kinsley & Associates.

Once the 60 volunteers (a 50/50 mix of men and women, ranging in age from mid-20s to mid-50s), arrived and ate a quick breakfast, the 15 I-Behavior and Kinsley staff handed out hammers, hard hats, work gloves, lip balm, sunscreen, bug spray, and T-shirts. The front and back of each shirt read "Hello, my name is ..." with the customers' name in large block letters, to make it easier for participants to communicate. "The T-shirts helped create the sense of a team," Kinsley says. That's important when you bring a disparate group of people together for the first time."

The group's job that day was to build the frame for



I-Behavior and 60 of its clients raised the walls of a Habitat for Humanity House as an alternative to the typical cocktail reception at trade show-related events.



a one story, three-bedroom home. While no one needed special technical expertise, “a few required hammering lessons,” Cucinell says.

In teams of two or three, clients and staff, along with community volunteers, pounded nails and connected metal braces to studs under the blowtorch sun. At noon they broke for lunch, but “most of them ate for a few minutes and then they went right back to work,” Cucinell says. “They were really into it.”

By 4 p.m., the crew of attendees, Habitat supervisors, and I-Behavior and Kinsley staff had raised the inside and outside walls of the house — with only a few bruised thumbs as casualties. Later, volunteers from General Electric Co. put the roof on. Kinsley shot photos of the event throughout the day, which I-Behavior sent to clients. They also passed out event-themed freebies, including hard hats, work gloves, carpenter pencils, and sharpeners, all of which cemented the experience

between the company and its customers.

For only \$25,000, which included a \$5,000 donation to Habitat, I-Behavior created a memorable event on its own terms and turf without competitors who could siphon off clients’ attention at the convention site. I-Behavior expected 40 to 50 clients might volunteer; 60 did, beating its expectations by as much as 50 percent.

Although the 2005 State of Corporate Citizenship survey by the Center for Corporate Citizenship at Boston College showed that 84 percent of large companies believe acts of corporate philanthropy plump the bottom line, establishing social ROI is tricky. But the goodwill established between the company and its hammering help had a long shelf life. Several customers donated money to Habitat for Humanity after the event, and other corporate clients offered additional products or support to the organization.

The company now injects a philanthropic note into all of its events, including blood drives at a conference last fall in Atlanta. “A lot of companies pay a lot of money to build relationships with that ‘falling backward and catching you’ stuff,” Cardonsky says. “We did it with sweat and hard work. That’s real-world trust.”

### 3. Strengthen Loyalty of Retailers

When it comes to doing good, Timberland Co. walks the walk, with an event that ties customer loyalty to community service.

Philanthropy is hardwired into Timberland Co.’s DNA. In 1989, the Stratham, NH, footwear maker became a founding sponsor of City Year Inc., the Boston-based national “urban Peace Corps” where young people age 17 to 24 enlist for a year of full-time community service in 16 U.S. cities. (The relationship is so tight, City Year set up an office inside Timberland’s headquarters.)

In the 1990s, the 36-year-old company started its Path of Service program, which gives Timberland employees 40 hours of paid time-off to serve their communities. “Making a profit and making a difference in the world go hand in hand here,” says Jim O’Conner, director of marketing for the Timberland Pro brand. “It’s part of our mission statement.”

So five years ago, when the company wanted to lace up the ties between its retailers and the Timberland



Pro division, which makes industrial footwear and outerwear, the company joined forces with SkillsUSA Inc., a nationwide nonprofit based in Leesburg, VA, that helps high-school and college students learn technical and vocational trades.



Timberland Co. and its clients paint the Boys & Girls Club's logo inside the building.

When SkillsUSA holds its national or state conferences, Timberland often — 25 times in the last four years — joins them in what it calls a “service event,” and invites one or more of its local retailers to take part. “We want to show the retailers we’re active in their community, and more than just a name on a box,” O’Connor says.

For example, in March 2004, during the SkillsUSA Texas conference in Dallas, Timberland asked City Year to work through its Dallas chapter to set up a service event. The organization arranged for Timberland personnel, SkillsUSA volunteers, its own members, and one of Timberland’s retailers, Academy Sports

& Outfitters Inc., which has 90 stores in seven states, to spruce up the Northside Boys and Girls Club in Fort Worth, TX. By combining its forces with two groups who specialize in similar philanthropic activities and have local ties, Timberland more easily locates worthy causes, and drums up manpower and expertise.

City Year coordinated personnel from all of the groups involved and assigned jobs. Timberland paid for the materials (paint, brushes, cleaning supplies), though occasionally it coaxed another local store, such as The Home Depot, to contribute them.

At 9 a.m. on Thursday, March 25, the 75 volunteers from the four organizations, including 25 staffers from Academy, gathered on the grounds of the Northside Boys and Girls Club. In six hours they cleaned the facility; painted the logo on the Club’s gym wall; landscaped the exterior; and planted 10 trees. Ultimately the results are simple but lasting for Timberland’s investment of anywhere from \$5,000 to \$75,000, depending on the event. “Customers see us doing something no one else does — making their community better,” O’Connor says. “It sets us apart from all the rest.”

## 4. Unite Corporate Executives

**Cemex S.A. binds its far-flung company together by mixing its executives, a poverty-stricken school in Mexico, and “Treasure Island.”**

When Cemex S.A., the world’s second-largest cement company, wanted to create an esprit d’ corporation — all for one and one for all — for more than 300 executives from 30 nations who run a Cemex plant or office, it didn’t send them a memo. Instead, it sent them to school.

For the company’s bi-annual executive conference last October in Cancun, Mexico, Cemex and Extraordinary Events of Sherman Oaks, CA, created a teambuilding event for VIPs to instill a message of “One Cemex: Together we build

the future” and help them learn to work as a unit. It was a lofty and somewhat “soft” goal that was easier said than done, especially when many of the attendees had never met, and many viewed such efforts as more sparkle than substance.

Like other companies that successfully integrate philanthropy into their events, Cemex doesn’t do charity for charity’s sake. (More than 90 percent of all corporations that make charitable efforts have at least one or more business-related goals fueling their efforts, according to



Cemex executives get hands-on with their product, helping to repair a rural Mexican school.

Exploring Corporate Philanthropy, a report issued by the Committee to Encourage Corporate Philanthropy in New York City.) Instead of writing checks, the 100-year-old company has a longstanding policy that its philanthropic efforts must demonstrate a high impact, involve the local community and its own personnel, and provide long-term benefits. For example, Cemex's ongoing Piso Firme project replaced the dirt floors of 200,000 disadvantaged Mexicans with antibacterial concrete, while its Patrimonio Hoy initiative has helped 103,000 low-income Mexican families upgrade their homes.

In May, Cemex and Extraordinary Events president Andrea Michaels started scouting for a school they could help. "Committing to help a school would convey the real sense of Cemex's values to the VIPs," Michaels says. The learning curve would be short, since even the suit-and-tie Cemex executives had backgrounds in construction skills such as plumbing, carpentry, electrical, and, of course, concrete.

What they found was "heartbreaking and terrifying," Michaels says. Looking for a school within an hour's drive so that travel time wouldn't eat up most of the event, Cemex and



Extraordinary Events staff trudged through shanty towns where the schools were more cardboard than cement. "Nothing we did there would have made any difference," Michaels says. "Anything we did would have been for show."

After days of searching, they found a school in a small Mayan-speaking town called Leona Vicario they felt they could help. The school was a block-long pile of cracked rock, broken glass, foul litter, rotted floors, and a dozen toilets that hadn't worked for longer than most of the 600 students had been alive. With no storage facilities for food, the school stored its grain on the ground, where the rats made their home.

Cemex didn't just swoop in, grandstand for a day, and then wave *adios*. Three

months before the event, the company began prepping the site. It sent a construction crew regularly to the school, where it cleared the city-block-long structure of garbage, repaired its walls, and worked on the roof. Then it leveled a 40-by-100-foot area, and built cement bleachers for a soccer field.

At the conference center in Cancun, Cemex started the event with an early-afternoon pep talk to the executives that described what they would be doing. The VIPs saw photos of the school before Cemex started its makeover and watched video footage of the school children. At 1 p.m. they boarded eight chartered buses and started the 45-minute drive to the town a world away.

One or two staff members from Extraordinary Events and Cemex's event depart-

ment rode on board each bus. Speaking in Spanish and English, they used the trip to explain each participant group's assignments.

Once they disembarked at the school around 2 p.m., the teams picked up safety goggles, work gloves, and tools from Cemex, joined with the schoolchildren and



their parents, and went to work under the watchful eyes of seven local police and private Cemex security guards. To the estimated 45 groups that specialize in kidnapping in Mexico (it's considered a growth industry), abducting as many as 3,000



people a year, 315 executives from a \$15.3-billion multinational corporation would look like 315 slot machines just waiting to pay off.

Supervised by other Cemex personnel, the attendees and others stuccoed walls, built benches, laid sod for the soccer field and planted trees, flowers, and shrubs. They raised walls, poured cement, and re-built basketball courts. They built a

library out of concrete blocks, plastered it, and installed shelves. On the outside of the wall that wrapped around the school, they painted an 8-by-3-foot Mexican flag in the bright green, red, and white national colors.

By 5:30 the work was done and the fun was about to start. Months before the event, Cemex and Extraordinary Events contacted each executive by e-mail. "We asked them what their favorite childhood book was," Michaels says. "Then we asked them to bring a copy for the library they were going to build."

These gruff, hard-nosed, executives donated copies of "Treasure Island" and "Black Beauty," old geography books

with beautiful maps, entire sets of encyclopedias, even a book of Polish children's fables the owner had translated into Spanish by his own hand. Through private translators hired by Cemex, the executives told the children how the books had shaped their lives.

Minutes later, the attendees, the children and their parents, and the teachers and administrators gathered in front of their new outdoor stage. Fifty schoolchildren walked across it, holding up signs that read "Gracias, Cemex." They sang the school song in honor of their benefactors, and presented a Cemex spokesperson with a handmade ceramic bust of a Mayan warrior and a ceremonial spear.

The Cemex contingent packed up and left at 5:30 p.m., but not for good. The next day, with no fanfare, 30 more Cemex workers came out to put finishing touches on the school. When Hurricane Wilma slammed into the Yucatan Peninsula the very next day, several attendees immediately checked on the status of the school and the children. "Whatever was damaged," they said, "we'll fix it," Michaels says.

Cemex estimates the cost of the event at nearly \$750,000. But that may be a bargain compared to the commitment it demonstrated to its executive attendees, who risked kidnapping to "build the future" for a small Mayan town. **E**



After the Cemex crew finished fixing up their school, fifty schoolchildren thanked Cemex by singing their school song and presenting traditional gifts.