



# *Making the Case:*

## *Clarifying Ways Businesses Benefit from Poverty Reduction Strategies*

A TOOL FOR VIBRANT COMMUNITIES

MARK CABAJ





# TAMARACK

An Institute for Community Engagement

Tamarack's goal is to promote community engagement in Canada. It does so by finding committed citizens and encouraging them to work together to build communities that are caring, prosperous and healthy.

## Tamarack's Mission

To engage citizens in inspired action as they work together on behalf of their communities to create and realize bold visions for the future.

Tamarack provides direct service in communities, through organizations, to develop and promote the "technology" of community engagement and to lead individuals and organizations to be more deliberate as they accelerate the changes necessary to achieve their visions.

Tamarack aims to inspire a national focus of interest in the betterment of Canadian communities through leadership development, community partnerships and projects that animate change.

Three interrelated strategies have been developed to do this work. They are:

**Community Building Strategy** - Tamarack is forming multi-year partnerships with communities that wish to use a community engagement approach to address the issues their communities face.

**Leaderful Communities Strategy** - Tamarack's Learning Centre seeks to improve, create and disseminate resources and ideas related to community engagement in order to help communities to be bolder and more deliberate in realizing their visions.

**Catalyst Strategy** - Tamarack will provide a national focus of interest for the betterment of Canadian Communities.

This work has already begun to have an impact. With the Caledon Institute of Social Policy and the J.W. McConnell Family Foundation, Tamarack has sponsored the Vibrant Communities initiative to build communities in order to reduce poverty in cities Canada.

Located in Waterloo, Ontario, Tamarack is incorporated as a charitable not-for-profit agency. Founded in 2001 as a partnership between Alan Broadbent of Avana Capital Corporation and the Maytree Foundation and Paul Born, Tamarack receives core funding from the Maytree Foundation and secures contract funding for project specific work.

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## PREFACE

Tamarack – An Institute for Community Engagement has prepared this guide, one of a growing bundle of tools for members of the Vibrant Communities initiative - a Pan-Canadian effort to reduce poverty through local action ([www.vibrantcommunities.ca](http://www.vibrantcommunities.ca)). These tools support the work of local organizations facilitating and leading broad-based local efforts to reduce poverty (we call them “convenors”).

The Needs-Features-Benefits Framework detailed in this guide is designed to assist convenors as they think through the case for a business to become involved in a concrete poverty reduction initiative. The Framework is based on the results of research on businesses and community involvement and the experience of the people involved in Vibrant Communities.

Engaging businesses in poverty reduction projects is just one piece of work a convenor group needs to do well in order to be successful. Readers interested in learning more about the broad range of key milestones and challenges in a convening group’s work are encouraged to read the booklet, “Convening a Comprehensive, Multisectoral Effort to Reduce Poverty – A Primer.” Information on how to obtain the booklet – as well as other tools and resources related to reducing poverty – is provided on the latter pages of this guide.

It is important to note that this tool is a work-in-progress. The guide will be reviewed and upgraded regularly as members of Vibrant Communities share their experiences, failures and successes in engaging businesses in the important work of creating opportunities for all members of their community.

For more information on this tool or to find out more about Tamarack’s product offerings, contact:

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## INTRODUCTION

At first glance, engaging business and business leaders in local efforts to reduce poverty may seem like an impossible task. After all, the major objective of business is to make a profit.

Thankfully, not all business leaders feel that way. In fact, business owners and executives feel that their companies should be directly involved in addressing social issues, including poverty, and are interested in participating in initiatives that can serve a social cause and, if possible, strengthen their business (Zadek, 2000).

Appendix B contains a list of resource organizations that have information on various strategies businesses have employed in an effort to create economic opportunities in low-income communities.

The challenge for a convener organization keen on increasing the number of businesses involved in a poverty reduction campaign – or any organization wanting to partner with a business on a poverty reduction initiative – is how to get a business involved.

Organizations that have had success in engaging businesses in poverty reduction work have identified eight elements of an effective engagement effort. These include:

1. A track record of excellence.
2. A transformational vision.
3. A compelling case for support.
4. Leadership - recruiting the people willing to “ask.”
5. Prospects - who cares about what you do?
6. The Campaign plan - effective development is a linear and sequential process.
7. Cultivation - “the engagement process”; and Solicitation - asking made natural.
8. Stewardship - keeping our friends.

Doing all these things well is a subtle art form and we encourage people interested in learning more about the topic to obtain the Tamarack workbook, “Friendraising: Raising Funds, Finding Friends to Realize Bold Community Visions.” We have identified some other helpful resources at the back of this guide as well.

The Needs-Features-Benefits Framework focuses on helping an organization to think through the third element of a successful business engagement effort – developing the case for business involvement.

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## THE TOOL

The Needs-Features-Benefits Framework worksheet is a useful planning tool for developing a systematic case for business involvement in a specific initiative to reduce poverty (See Exhibit 1).

The Framework is rooted in the hard won learning and experience of the sales industry in the private sector. Sales people use the Framework to prepare themselves before they go out to meet clients and it is familiar to almost everyone that has taken a course in sales in recent years.

The primary purpose of the Framework worksheet is to help people clarify, in advance of contacting prospective business partners, if and how the opportunities they have for businesses fit the particular needs of the businesses whose involvement they are seeking. Specifically, the worksheet asks convenor organizations to clarify the following:

**Needs** – What are the expressed desires or needs of the business?

**Features** – What are the primary features (aspect, element or part) of the poverty reduction initiative? What is it designed to do?

**Benefits** – What is the positive outcome the business will enjoy as a result of the various features of the initiative? What is the support package your group is offering? Does this benefit fulfill the prospective business partner's need? Will it convince him/her that they should become involved in the poverty reduction effort?

**Evidence** – What evidence do you have that can demonstrate the likelihood that the business will experience the benefits you have identified?

A group that is able to complete a Needs-Features-Benefits-Evidence Framework worksheet, and is confident about the information that emerges out of the exercise, has a substantially greater likelihood of engaging businesses in local poverty reduction efforts.

**NEEDS**

**FEATURES**

**BENEFITS**

**EVIDENCE**

1.

a) ↔

↔

i)  
ii)  
iii)

↔

b) ↔

↔

i)  
ii)  
iii)

↔

c) ↔

↔

i)  
ii)  
iii)

↔

2.

a) ↔

↔

i)  
ii)  
iii)

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b) ↔

↔

i)  
ii)  
iii)

↔

c) ↔

↔

i)  
ii)  
iii)

↔

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## COMPLETING THE TOOL

There are five simple steps to clarify the benefits of business involvement in an initiative to reduce poverty. These are:

1. Determine your group's strategy for engaging business in poverty reduction initiatives.
2. Identify the needs of the businesses you might be able to fulfill.
3. Clarify the specific features of your poverty reduction project and how they fit the business needs.
4. Describe the benefits that the business will enjoy because of their involvement in a poverty reduction initiative.
5. Gather and prepare the evidence that demonstrates the likelihood that the business will enjoy these benefits.

While these steps are sequential, your group will likely find itself moving back and forth between them as it develops an increasingly better understanding of the expectations and hopes of the business and a particular poverty reduction initiative's ability to meet them.

As you work through these steps, refer to the example worksheet completed for the initiative carried out by TESCO, a large grocery retailer in Great Britain involved in a unique venture that helps it achieve a better bottom line at the same time strengthening a low income neighborhood with jobs for local residents.

## CASE STUDY - TESCO

TESCO is the United Kingdom's largest retailer and one of the country's largest employers (See [www.tesco.com/corporateinfo/](http://www.tesco.com/corporateinfo/)).

In order to expand its business beyond the lucrative, though increasingly saturated, niche market of middle income earners, TESCO developed and carried out a comprehensive business development plan that combined the goals of increasing market share and profitability with strengthening the economic livelihood of low income neighborhoods and their residents.

Through partnerships with public, private and non-profit organizations, TESCO opened stores in low-income communities in Leeds, Glasgow and Durham.

In addition to providing access to competitively priced groceries in these communities (a key issue for low income residents), TESCO made a considerable investment in ensuring long term unemployed local residents were able to fill the new jobs available. The following strategies helped them to achieve this:

- Recruited based on aptitude, not formal qualifications,
- Guaranteed each participant entering and completing the training would be offered a job,
- Provided remedial literacy training as well as on-site retail training,
- Adapted recruitment process to enable people receiving welfare to transition from welfare to work without losing benefits,
- Provided transportation and childcare.

Since TESCO started operations in these communities, the company has offered over 1,500 positions to local residents and 81% to 90% of the employees continue to work with the company - more than twice the national retention rate of 40%.

Note: This description has been adapted from the TESCO profile provided in the Ford Foundation's document Ford Foundation. "The Double Bottom Line: Competitive Advantage through Community Investment." Author: New York, New York. See Appendix A for more information.

# SAMPLE NEEDS-FEATURES-BENEFITS-EVIDENCE WORKSHEET - TESCO

NEEDS	FEATURES	BENEFITS	EVIDENCE
1. Expand TESCO's customer base and market share.	<p>↔</p> <p>a) A collaboration with municipal planners and neighborhood groups to open commercial food operations in the innercity.</p> <p>↔</p>	<p>↔</p> <p>i) Reduces time required to plan and launch inner city grocery stores.</p> <p>↔</p>	<p>↔</p> <p>None available. It makes 'intuitive' sense.</p>
2. Recruit and retain skilled and committed employees.	<p>↔</p> <p>a) Recruit based on aptitude, not formal qualifications.</p> <p>↔</p> <p>b) Guaranteed job for trainees finishing the program.</p> <p>↔</p> <p>c) Retail Training</p> <p>↔</p> <p>d) Continued benefits for welfare recipients during training period.</p> <p>↔</p> <p>e) Transportation and child care supports for employees during and after training.</p>	<p>↔</p> <p>i) Expands number of people eligible for employment.</p> <p>↔</p> <p>ii) May increase staff loyalty.</p> <p>↔</p> <p>i) Improves skill level of employee.</p> <p>↔</p> <p>i) Increases trainee completion rates.</p>	<p>↔</p> <p>None available.</p> <p>↔</p> <p>None available.</p> <p>↔</p> <p>OECD research confirms that in-house, on the job training, leads to higher productivity.</p> <p>↔</p> <p>Margower Demographic Research Corporation research confirms transitional benefits and child care supports improve welfare recipient take up and completion of training.</p>

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## STEP ONE - DETERMINE YOUR GROUP'S STRATEGY

How and when your group uses the worksheet depends to a large degree on its general approach to engaging businesses in local poverty reduction efforts. There are at least three general approaches groups can choose to use:

- **One Project** - your group has one particular project in which it would like to have business involvement,
- **Menu of Options** - your group may have identified several different projects or generic strategies for which it will like to involve business.
- **Exploration** - your group and/or prospective business partners prefer to develop a project from scratch either because the current set of strategies available are not appealing, or because your convenor organization feels this approach is a more effective way to engage businesses in poverty reduction work.

If your group has one or more concrete projects in mind, it can prepare generic needs-features-benefits sheets in advance of meeting with business leaders. If, however, you and the prospective partners prefer to begin with a blank slate, the worksheet can be used throughout the brainstorming process as a tool to help everyone quickly clarify businesses needs and whether different projects fit those needs.

## STEP TWO - IDENTIFY SPECIFIC BUSINESS NEEDS

The primary challenge for a convenor organization is to determine which needs the company leaders feel they can address by becoming involved in a poverty reduction strategy.

There are many reasons businesses become involved in social issues. A survey of CEOs by the Conference Board in 1998 found that business involvement in community issues was driven by the following factors (in order of importance):

- Enhance Corporate Image
- Develop Local Trust in Company
- Develop Local Talent
- Improve Ability to Recruit Employees
- Retain Executives and Employees
- Broaden Tax Base
- Strengthen Supplier Base
- Expand Customer Base
- Create New Markets (Alpherson, 1998)

While all of the above needs refer to the companies' desire to improve various aspects of business performance and ultimately the bottom-line, it is important to note that many business leaders and companies are motivated by non-business goals as well. Another Conference Board study, for instance, found that only 19% of business leaders surveyed felt that bottom-line considerations alone should drive business involvement, while 63% felt business and

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community benefits should drive involvement, and a surprising 28% felt that the community benefits alone warranted their involvement (Zadek, 2000).

If your group already has one or more projects in mind, it can begin to explore how it may fit one of the above, or other, business needs. If, on the other hand, you are using an open-ended strategy of engagement, you will work with the representatives of your business partner to determine their company's most important needs.

In the case of TESCO, for example, the company had two key needs: expanding its customer base and finding a sufficient number of qualified employees.

## STEP THREE - CLARIFY THE FEATURES OF THE PROJECT THAT FIT THE BUSINESS NEEDS

There are many strategies that businesses can employ to help them meet their business need and generate economic opportunities that reduce the number of people living in poverty or can prevent people from entering poverty. Appendix A provides a list of reports and inspiring case studies of many such examples.

It is important for your group to be able to crisply describe the main features – or elements – of potential poverty reduction initiatives that fit the priority needs of the business.

In the case of TESCO, there were five features of the neighborhood grocery store project that aligned with the company's need for quality employees: adapted recruitment strategy, transitional benefits for welfare recipients, on-the-job training, guaranteed employment post training and transportation and child care supports for employees.

## STEP FOUR - DESCRIBE THE BENEFITS THE BUSINESS WILL ENJOY

The next step in the process is to describe the concrete benefits that the business will likely enjoy by participating in the initiative. The description of benefits should speak directly to the different needs and features described in the worksheet.

In the case of TESCO, for example, the benefits that emerged from the features described in the job recruitment and training program included: expanding the pool of employees eligible for employment, increase job retention and employee productivity.

If and when possible, a group's description can be made even stronger if it can credibly quantify the extent of the benefit (e.g., improve staff retention rates from 75% to 90% in year one).

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## STEP FIVE - GATHER AND PREPARE EVIDENCE

Many business leaders will be pleased that your group has thoroughly thought through the benefits they will likely enjoy if they participate in a poverty reduction initiative. Your case will be much stronger, however, if you can provide concrete evidence that similar initiatives have worked somewhere else.

There are several types of evidence you can use to back up your benefit statements. These include, among others, case studies and research reports.

In the case of TESCO, for instance, a convenor organization could have referred to the positive results experienced by the Marriott chain of hotels in a similar job training and career development program. Or, they have shared the results of studies that described the impact of different job supports as well as the impact of different elements of welfare-to-work programs on the on worker job retention and productivity.

## STEP SIX – USING THE RESULTS

Once you have completed the above five steps, you should be able to package a Needs-Features-Benefits tool like the one for TESCO.

You can use this completed document in a number of ways. Some people use it as a ‘rehearsal sheet’ before they meet face to face with a potential business. Some people ‘role play’ in advance of meeting with a potential partner – one side playing the ‘skeptical’ business team, the other, the well-prepared convenor organization – exploring the business team’s possible objections and concerns. Yet other people simply keep it on their desk as a quick reference sheet for when business partners call or writing proposals or reports.

Regardless of how you use it, you now have a document that reflects some thorough thinking of how and why a business should participate in your important poverty reduction initiative.

## CONCLUSION

Clarifying the ways a business can benefit from getting involved in a poverty reduction initiative can substantially strengthen your group’s case for their support.

This tool cannot, however, help you sell a project that is poorly designed or has few benefits for business in the first place. In fact, it may even ‘flush’ out the weaknesses of the project you are trying to promote! In the case of a project like TESCO, for example, you may find that the available evidence suggests that worker retention rates in similar projects in Canada is, in fact, quite low.

Over time, a group that continually works through the steps contained Needs-Features-Benefits tool will build a discipline that will assist them design projects that make a difference in the lives of low income residents and create benefits for local businesses.

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## **APPENDIX A - SOURCES OF IDEAS FOR BUSINESS INVOLVEMENT IN POVERTY REDUCTION INITIATIVES**

### **Business for Social Responsibility**

Webpage: [www.bsr.org](http://www.bsr.org)

Business for Social Responsibility (BSR) is a global organization that helps member companies to achieve success in ways that respect ethical values, people, communities and the environment. BSR provides information, tools, training and advisory services to make corporate social responsibility an integral part of business operations and strategies. A nonprofit organization, BSR promotes cross sector collaboration and contributes to global efforts to advance the field of corporate social responsibility.

### **Canadian Business for Social Responsibility**

Webpage: <http://www.cbsr.bc.ca/>

Canadian Business for Social Responsibility's (CBSR) goal is to support business in their effort to implement higher standards of social and environmental responsibility. CBSR's member companies are among Canada's leaders and as such, are committed to developing, sharing and implementing corporate social responsibility best practices. Review the group's resource and news sections for good ideas or access their advisory services.

### **The Canadian Centre for Philanthropy.**

Webpage: [www.ccp.ca](http://www.ccp.ca)

The Canadian Centre for Philanthropy is a membership-based organization that works with charities, governments and corporations to advance the role and interests of the charitable sector for the benefit of Canadian communities. The Centre collects and disseminates information, generates research and publications, advocates for an improved regulatory environment, and acts as a catalyst for partnerships between the voluntary and corporate sectors. Check out their online library with a wide range of helpful resources on business involvement in community issues at <http://nonprofitscan.andornot.com/default.htm>.

### **The Corporation for Enterprise Development**

Webpage: [www.cfed.org](http://www.cfed.org)

The Corporation for Enterprise Development (CFED) envisions widely shared, sustainable economic well being and an inclusive economy where everyone is fully engaged and appropriately rewarded. CFED promotes asset-building and economic opportunity strategies—primarily in low-income and distressed communities—that bring together community practice, public policy, and private markets in new and effective ways.

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**The Conference Board of Canada**

Webpage: [www.conferenceboard.ca/GCSR/](http://www.conferenceboard.ca/GCSR/)

The Conference Board is a membership-based not-for-profit research organization that creates and shares insights on economic trends, public policy issues and organizational performance. The organization has a Corporate Responsibility program that produces and/or shares various studies, reports and organizations related to business involvement in community issues.

**The Ford Foundation**

Webpage: [www.fordfound.org](http://www.fordfound.org)

The Ford Foundation was founded a half century ago as a resource to people and organizations across the world that are interested in strengthening democratic values, reducing poverty and injustice, promoting international cooperation and advancing human achievement. The organization collects and maintains an excellent inventory of innovative stories and reports. A particularly helpful resource is “The Double Bottom Line: Competitive Advantage through Community Investment.” It contains dozens of stories of businesses involved in poverty reduction projects. See [www.fordfound.org/publications/recent\\_articles/](http://www.fordfound.org/publications/recent_articles/).

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