

# A NEW APPROACH TO GIVING

By encouraging senior employees to become involved in the charitable organizations it funds, the Imperial Oil Foundation is taking a strategic approach to philanthropy By Brian Bergman

**THE** oil industry and environmentalists are often viewed as adversaries, but given the chance, they can work together for the benefit of the environment, says Eric Bristow, Imperial Oil's corporate environment and safety planning manager. In 2006, Bristow volunteered to be a member of the grant review committee of the Alberta Ecotrust Foundation, an alliance of industry and environmental groups that provides organizational assistance and raises and distributes funds for grassroots initiatives. Bristow found that, in the vast majority of cases, corporate representatives and environmental advocates agreed quite easily on the projects that deserved support and those that did not. Along the way, the would-be adversaries came to appreciate each other.

"When you sit across the table from a person you've gotten to know, neither of you are in a position where you want to be unreasonable," says Bristow. "It makes you listen more carefully to what the other person has to say and break down the mistrust that might otherwise exist."

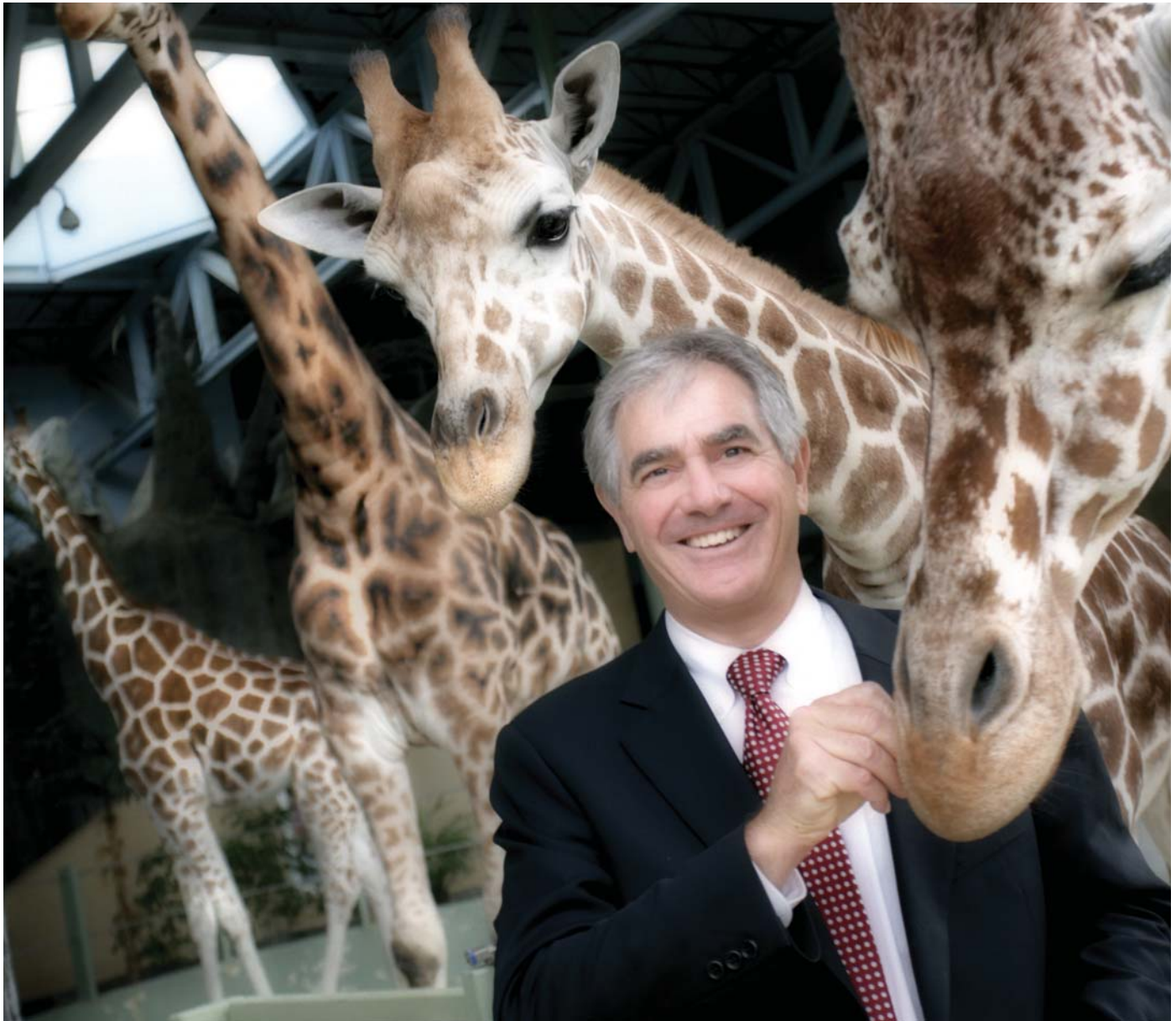
Bristow's words are echoed by Jim Pissot, executive director of Defenders of Wildlife Canada and a member of the same grant review committee. "What happens is that we get to know each other as people – not as headline news items," says Pissot. "And that's always a good

start to at least investigating common ground."

This kind of constructive engagement is one of the key reasons why Bristow, along with several other Imperial Oil managers, was recently approached about volunteering with organizations supported by the Imperial Oil Foundation, the company's philanthropic arm. The participation of these senior employees is also part of a larger shift in direction by the foundation, which in 2006 donated \$6 million to some 400 non-profit organizations across Canada.

In essence, the foundation is seeking to make its donations more focused and effective. That means concentrating support in a few priority areas – most notably education and the environment – and in parts of the country where Imperial Oil has significant numbers of employees or business interests. It also means getting people like Bristow involved so they can lend their business expertise, help ensure the effectiveness of Imperial's donations, and more directly engage with the people and issues the foundation is seeking to advance.

"What we're talking about here is strategic philanthropy," says Monica Samper, president of the Imperial Oil Foundation. "It's about having a better alignment between the interests of our business and those of the organizations we choose to support."



Strategic philanthropy is an emerging trend in the corporate sector, one that has been written about extensively by Michael Porter, a management guru at the Harvard Business School, and Mark Kramer, managing director of Boston-based FSG Social Impact Advisors – a firm Kramer and Porter created in 1999 to work directly with corporations, foundations and non-profit organizations.

Porter and Kramer argue that corporations need to do a better job of applying business principles to their philanthropic efforts. Among other things, this means corporate foundations should use their expertise to fund organizations that are the most effective or address urgent or overlooked problems and should be ones that are linked to their field of business. They should also attempt to improve the performance of grant recipients by getting involved with the non-profits they support and providing advice and management assistance.

“There’s a tendency to think of philanthropy simply as giving away money,” says Kramer. “We think the point is solving social problems. And corporations have tremendous resources they can bring to bear on a social problem through their employees, network relationships and expertise. These are things you can’t achieve just by writing a cheque.”

It’s equally important, adds Kramer, for corporate foundations to

**Being involved with the Calgary Zoo fits well with the foundation’s renewed focus on youth, education and environment, says Richard O’Farrell.**

decide what they are *not* going to do. “Having a strategy is all about making choices,” he says. “You can only bring all of these corporate resources to bear by focusing on a short list of priorities.”

Since 2006, the Imperial Oil Foundation has been putting these theories into practice. Traditionally, the foundation spread its support across every province and territory, with the bulk of the funding going to arts groups and civic organizations.

The foundation is now shifting both its geographic and philosophic focus. Geographically, the priority will be areas where Imperial has a major or emerging presence – namely Newfoundland, Nova Scotia, Quebec, Ontario, Alberta, British Columbia and the Northwest Territories. Philosophically, there will be an increased emphasis on supporting issues and causes that have a direct link to Imperial’s business activities.

For example, the foundation plans to strengthen current support for education initiatives, particularly in math and science. “The trend of young people not choosing a career in the sciences is very worrying,” says

Samper. "Our business relies on science 24 hours a day, 365 days a year."

In a similar vein, the energy industry has a significant impact on the environment. Observes Samper: "We need to be working with non-profit groups that are advancing education, conservation and research related to our footprint – on air, water and land."

This is not to say arts and civic organizations will be cut adrift. In communities where Imperial has a strong presence, these groups will continue to receive support, especially if some of their activities also relate back to the priority areas of education and the environment. As well, the foundation will continue its Volunteer Involvement Program, whereby employees, retirees and their spouses are encouraged to volunteer with the charity or non-profit of their choice and the company provides matching grants of between \$500 and \$2,000. The foundation currently distributes about \$300,000 annually through this program.

All the same, the shift in emphasis will be significant. Traditional-



**Janet Maaten is involved with Mount Royal College's Aboriginal student centre, in part to help strengthen relationships with local Aboriginal communities.**

ly, about 70 percent of the foundation's support went to arts and civic organizations and 30 percent to education and the environment. Over time, Samper intends to reverse those ratios. "It has to be gradual, because the organizations we will no longer be supporting need some advance notice," she says. "Those are not easy conversations because they are all worthy causes."

The ultimate goal, adds Samper, is to have a bigger impact in a few areas considered critical to the company, rather than making a small difference across a much wider spectrum. To that end, the foundation has also sought out senior managers willing to get involved with the boards of some of the non-profits being supported. "The purpose is two-fold," says Samper. "The most important is

engagement – having someone who can learn about the issues and goals of the organization while also talking about what we believe in. The other part is about lending their private sector expertise and helping make the organizations more accountable."

Imperial Oil was one of the founders of Alberta Ecotrust in the early 1990s and remains a funding partner (requiring a commitment of at least \$30,000 a year for three years). Funding partners have a seat on the grant review committee, which comprises an equal number of corporate and environmental non-governmental organization (ENGO) representatives. The committee meets twice a year to review applications for grants ranging from \$7,500 to \$60,000.

In addition to having a direct input in deciding where Ecotrust money is channeled, Bristow finds he is able to share information that helps dispel stereotypes about energy companies. He recalls, for example, discussing with committee members the directional drilling technology Imperial employs at its Cold Lake operations. The process uses a central pad for drilling in various directions rather than several drilling locations, which would disturb more land.

"Some of the ENGO groups weren't aware of this and I encouraged them to ask about the technology," says Bristow. "There can be a tendency to paint all of industry with one brush. In reality, companies are taking more progressive approaches to the environment in different areas."

Bristow says his work with Ecotrust has convinced him that it is a "quality organization" and, as a group that is working to improve Alberta's environment, a natural fit for Imperial.

Another obvious "fit" for the company is an organization that encourages Aboriginal youth to stay in school and get a good education. At a time of chronic labour shortages, young Aboriginals represent an important talent pool.

The foundation recently pledged \$150,000 over three years toward an elders program at the Iniskim Centre, the Aboriginal student centre at Calgary's Mount Royal College. The centre, which opened in March 2007, provides support to more than 400 Aboriginal students, many of them from remote communities. The elders program is intended to help students adjust to life in Calgary and provide a link to the local Aboriginal community.

In conjunction with the donation, Janet Maaten, Imperial Oil's Aboriginal relations manager, accepted a voluntary position with the advisory committee that oversees the student centre. "Recruiting Aboriginal employees and building relationships with Aboriginal communities are clear priorities," says Maaten. "This is especially true as our company increases its interests in the North."

Maaten is an inveterate volunteer who, prior to moving from Sarnia, Ont., to Calgary in 2006, served as a board member with the Canadian Mental Health Association, the YMCA, the Victorian Order of Nurses Foundation and Lambton College. She believes her latest assignment will help Imperial build some critical relationships. "These students are the leaders of tomorrow," says Maaten. "If we can support their education and they gain a good impression of Imperial, that should help us to recruit down the road."

In keeping with the foundation's desire to ensure its donations are effective, Maaten says one of her roles on the advisory committee is "to be very clear on what we are committed to and what we are expecting. I

want to support the elders program in whatever way I can to make sure it's successful."

Encouraging students to excel is also the role of Junior Achievement of Canada. Imperial's support of this organization is long-standing and ongoing – in 2006, the foundation committed \$1 million over five years to fund Junior Achievement activities across Canada.

Richard Rodgers, manager of safety, health and environment for Imperial's resources division, is currently a board member for Junior Achievement of Southern Alberta. Prior to that, Rodgers spent nine years as a volunteer Junior Achievement teacher. Junior Achievement provides classroom and after-school instruction that focuses on business basics and the importance of staying in school.

"We know that 20 percent of those who enter high school in the Calgary area drop out before they finish," says Rodgers. "That's huge. We think people who finish and go on to post-secondary education have

headquarters relocation in 2005, Richard O'Farrell, government relations and issues manager with Imperial's public affairs department, discussed with Samper how he might get more involved with the community. The Calgary Zoo, which the foundation has supported for years, seemed a natural fit, given that O'Farrell has an undergraduate degree in zoology.

"The zoo is a big deal in this city," says O'Farrell, who joined the zoo's board of trustees in December 2006. It also fits well, he adds, with the foundation's renewed focus on youth, education and the environment. The zoo has strong programs for schoolchildren and a clear commitment to wildlife conservation. In fact, two of the projects the company has supported in recent years are the creation of the zoo's Canadian Wilds section and construction of the Imperial Oil Tiger Amphitheatre.

O'Farrell is impressed with how efficiently the non-profit organization operates and the commitment of zoo employees and managers. "I'm just amazed at their dedication," he says. "It's pretty inspirational."

George Bezaire, Imperial's director of corporate planning, expresses a similar sentiment about the people who work at the Glenbow Museum, where he now serves on the board of governors.

Bezaire observes that the recently opened Mavericks exhibition, a \$12 million homage to 48 individuals who made a distinctive mark on Alberta's history, came in on time and on budget – no small feat in a period of labour shortages and skyrocketing construction costs. "What impresses me is how far they can make a dollar stretch," says Bezaire, "and the enthusiasm of the people who work there. It's very exciting to be part of that."

The relationship between Imperial and the Glenbow is increasingly strong. In 2006, Imperial announced a \$4 million donation, the largest corporate cash gift in Glenbow's history. The support included \$500,000 for the permanent Mavericks exhibition, the donation of Imperial's 126-year-old corporate archives, and a \$1.2 million endowment for the ongoing care and maintenance of the archival material.

Bezaire says such support is very much in keeping with the Imperial Oil Foundation's new emphasis on aligning business and philanthropic activities. "It makes sense on several levels," he says. "Our very significant corporate archives will now be professionally managed and have much wider public access. Then there's the fact that Mavericks helps document the role the energy industry played in building this province. Finally, there's the Glenbow's strong educational component."

Bezaire believes that business people have strengths in finance, planning and goal setting that can be of use to community organizations. And according to Ian Bourne, chair of the Glenbow board, that is precisely what Bezaire brings to the table. "We've been spending a lot of time over the past year refining our strategic plan and working on potential relocation and expansion," says Bourne, himself a recently retired executive vice-president with TransAlta Corp. "George has been an active member of those discussions and brought to them the corporate discipline that helps the organization think through what it should and shouldn't be doing."

This, too, is part of strategic philanthropy, which seeks to create value for the benefactor and beneficiary alike. As the Imperial Oil Foundation forges ahead, it's just the start of many such success stories. ■



**As a voluntary member of Alberta Ecotrust Foundation, Eric Bristow found that the oil industry and environmentalists can work well together.**

more to offer, and that's certainly the group we like to hire."

In this way, says Rodgers, Junior Achievement accords with the foundation's new direction. He points out that in southern Alberta alone, there are more than 130 Imperial employees who volunteer as Junior Achievement teachers. "So we are supporting education not only through our donation, but also in terms of people's time and talents."

While the foundation is scaling back on support of civic and arts organizations, many still qualify because of the critical community role they play and the types of activities they promote. In the city where Imperial Oil is now headquartered, two obvious examples of this kind of organization are the Calgary Zoo and the Glenbow Museum.

After he moved from Toronto to Calgary as part of the company's