



Making it Collaborative

CASE # 12.9

A CASE OF STRATEGIC RE-ALIGNMENT: AKZONOBEL – PLAN

[Relating to Section 12.2.2 of the book – see footnote 4]

THE CASE

In 1994, publicly-listed paint and pharmaceuticals company AkzoNobel and (Foster Parents) Plan, a child-focused development and humanitarian NGO founded in 1937 during the Spanish War, initiated an Education Fund ‘partnership’ to raise money for poor children in the global south. At that time, AkzoNobel provided only financial assistance for educational projects and programs, with Plan NL helping the company decide which projects to support. After the FIFA World Cup in 2014, for instance, AkzoNobel and Plan, together with various other local partners, joined forces to promote social development in the Natal region in Brazil. AkzoNobel took the lead in organizing vocational painter/decorator training. Plan NL took the lead in recruiting deprived youngsters to be trained as painter/decorators. So far so good?

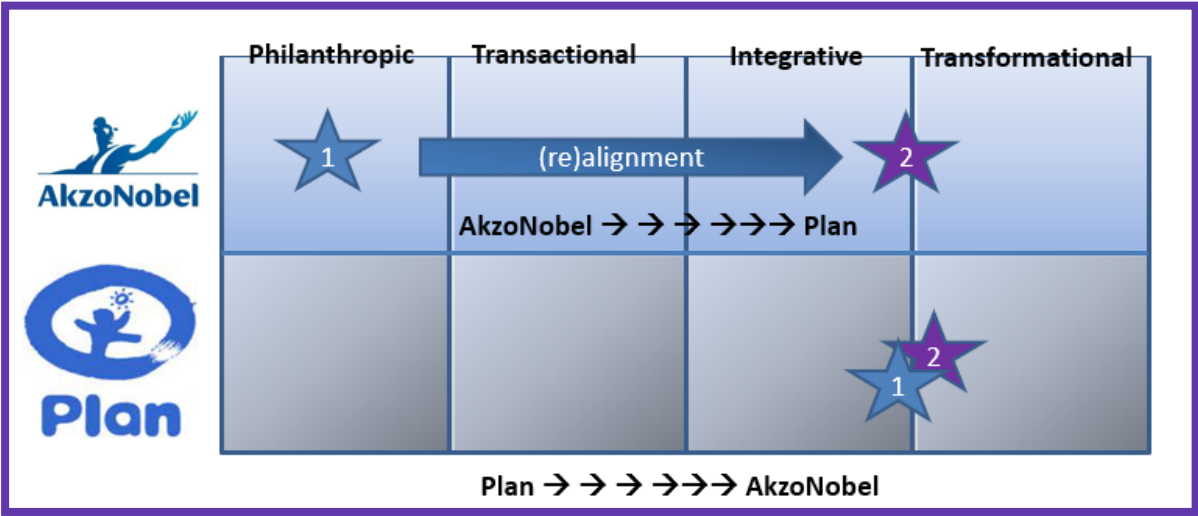
AN ALIGNMENT CHALLENGE

Over the years, the relationship between Plan and AkzoNobel changed considerably. The partnership started out as a philanthropic relationship, based on charitable giving. Yet Plan clearly had higher expectations of the partnership than AkzoNobel did, leading to alignment issues. AkzoNobel valued the partnership as ‘philanthropic’ (position 1 in the continuum shown below), which implied that the company felt it could withdraw its funding at any time. The corporate manager who had decided on the sponsoring relationship with Plan only had a limited mandate and confined budgetary freedom. Plan, on the other hand, hoped that the relationship could grow out to become more strategic – not in the least because it badly needed the financial support at a time when the organization was suffering from some serious reputational turmoil (in 1999).¹ This misalignment of purpose, expectations, and dependencies created significant tensions in the partnership and threatened its continuation. Plan, as the weaker part of this alliance, had to take action – for which it basically had two options: (1) lower its expectations and be satisfied with, essentially, a sponsoring relationship, or (2) try to step up engagement on both sides.

¹ In 2001, Foster Parents Plan changed its name into ‘Plan International NL’.

Plan chose the second approach. After considerable deliberation and negotiations, AkzoNobel decided to step up its partnership ambition from philanthropic to integrative/transformational (position 2). As a consequence, the partnership gradually entered a more transformative stage. It evolved based on co-creation procedures in which partnership-related decisions were jointly taken. Both parties continuously reflected on the further development of the partnership and the intended impact of their collaboration. Differences in the approach of each organization were not considered problematic but rather as complementary. The partnership genuinely invested in building-up mutual trust and came to be seen as a good ‘arena’ for representatives of both organizations for (critical) dialogue and learning between the two organizations.

Re-aligning engagement: from position 1 to position 2



THE RESULT

The partnership eventually became an essential part of AkzoNobel’s core strategy, which now aims to improve, energize and regenerate urban communities around the world and focuses on ‘Human Cities’ (which combines SDGs 5 and 11). The partnership became increasingly important for Plan International while also boosting its impact on local communities: through the pooling of complementary resources, larger and more stable funds became available to educate, train and mentor thousands of youngsters in support of their employability and empowerment. After the realignment phase, AkzoNobel has proved a stable partner and financial resource for many years. In 2019, the partnership saw the 25-year anniversary of the Education Fund. The change in the relationship also led to internal changes at Plan International. Corporate partnerships are no longer part of Plan’s ‘Fundraising Department’, but are now integrated into the ‘Program Department’. Corporate partners are no longer seen as purely philanthropic.

The emphasis of the AkzoNobel-Plan partnership now is on ‘youth economic empowerment’ (related to SDG 8.6). Through targeted skills and vocational training, the partnership helps disadvantaged young people to access the labour market and find decent work, through more than 50 projects in 15 countries spread across the global south, and with a special focus on girls and young women.

CASE QUESTIONS

- **Partnership set-up and goal alignment:** What would have been a good conversation between the managers of both partnering organizations when they started the initial partnership? What elements and vital conditions do you think should be part of any cross-sector partnering initiative? (see sections 12.1 and 12.2).
- **Partnership portfolio management (PPM):** Take a look at all the partnerships of each organization (consult their websites). How does the AkzoNobel–Plan ‘Education Fund’ partnership compare to each organization’s other partnerships (centrality in the CSP-portfolio, see section 12.4)?
- **Internalization/institutionalization:** In your opinion, what could be done to use the experience of this partnership to improve the PPM practices of both organizations? (see sections 12.3.2 and 12.4).
- **Materiality:** Both organizations have experienced ‘issues’ throughout the years. Can a partnership like the one described help organizations recover from negative publicity on their operations? Do you think there are certain preconditions for making this work?
- **Partnership agreements:** Define a ‘Memorandum of Understanding’ (MoU) between the two organizations that would already have taken the realignment matter into account (see Box 12.8).
- **Partnering principles:** Define partnering principles that would have helped the partners to strike a more effective partnership deal from the start (see section 12.2.4 and Box 12.7).
- **Partnership brokering:** the case highlights the importance of internal and external partnership brokers that facilitate improved cross-sector partnering relationships and partnership performance. Define the role partnership brokers should play in each phase of the strategic (re)alignment process.

FURTHER READING & TOOLS

Partnerships Resource Centre (2015). *The State of Partnerships Report 2015. Civil Society Organizations (CSO) Under Siege – Can partnerships provide new venues?* https://repub.eur.nl/pub/80010/24682_Rapport_CSOScan_3_WEB.pdf

AkzoNobel partner website: <https://www.akzonobel.com/en/about-us/sustainability-/people/plan-international-0>

Plan International website: <https://www.planinternational.nl/companies/akzonobel>; <https://plan-international.org/uploads/2022/01/plan-international-annual-review-2019-en.pdf>

TOOLS

- ▶ The Partnerships Resource Centre (PrC) has developed a ‘[Collaboration Quick Scan](https://www.rsm.nl/fileadmin/Faculty-Research/Centres/PRC/PRC_CQS_The_collaboration_Quick_scan_def.pdf)’ tool that applies strategic alignment thinking in optimizing collaborative projects. https://www.rsm.nl/fileadmin/Faculty-Research/Centres/PRC/PRC_CQS_The_collaboration_Quick_scan_def.pdf