

## Beyond Cash:

*In-kind donations let companies give back and can even boost the bottom line*

In these tough economic times, when companies are already pinching pennies, finding the funds for corporate giving can be difficult. But donations don't have to come in the form of dollars, as one company has discovered.

Give Something Back (GSB), a commercial office products company based in Oakland, Calif., has a unique business model. Like Staples and Office Depot, the company sells supplies such as paper, pens, and staplers, but unlike its competitors, GSB doesn't distribute its earnings to owners or shareholders. Instead, the company literally gives its profits back to the communities where it does business.

Since its founding in 1991, GSB has donated more than \$5 million—around 85 percent of its profits—to nonprofit organizations working in its service areas throughout California. Each year, the company distributes ballots to its employees and customers, who vote on which eligible 501(c)(3) groups receive the funds.

"Every company gives its profits away to owners or shareholders," says Mike Hannigan, president and cofounder of GSB. "We've just eliminated those stakeholders and replaced them with nonprofits."

But while distributing its profits to charities serving the community is the company's purpose, Hannigan acknowledges that money isn't the only way to give back.

### Lend Resources

A couple of years ago, GSB wanted to do something to help GreatNonprofits, a website that provides reviews and ratings of charities to encourage giving to worthy organizations. Money, it turned out, wasn't the best way to contribute.

"We realized that what they needed wasn't a donation; what they needed was a public relations expert to handle their annual fundraising campaign," Hannigan says.

Rather than donate cash, the company lent the organization the services of Lori Hope, a public relations consultant. During the holiday giving season she worked for GreatNonprofits for around 20 hours, and her efforts resulted in coverage for the organization in publications including the *Los Angeles Times*, the *Economist*, and the *Wall Street Journal*.

"It was so creative because even if they had just given



Mike Hannigan,  
President and  
Cofounder, GSB

us the money, I would have had to find someone experienced enough in this area of public relations," says GreatNonprofits CEO Perla Ni.

She estimates the coverage the organization received was worth around \$50,000—more than eight times the \$6,000 GSB paid for the consultant's services.

"We let them borrow an asset that we realized they could turn into a return far and above what we could write a check for," Hannigan says.

### Improve Efficiencies

In-kind donations aren't just good for charities; sometimes they can even benefit the business itself, as GSB has found.

GSB doesn't have brick-and-mortar retail locations. Instead, customers order online and the company delivers the supplies to their doors. With more than 10,000 customers, that means a lot of trucks heading back to the warehouse empty after making their drops.

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In keeping with its sustainability mandate, GSB began thinking of ways to use those trucks more efficiently. After discovering that many of its customers had e-waste—old or broken computers and peripherals—laying around their offices, the company began hauling the unused equipment to certified recycling facilities on the return trip.

"We were able to leverage a process that already existed to lower our carbon footprint," Hannigan says.

Then Hannigan learned of ReliaTech, a program that provides

low-cost refurbished computers and repair services to consumers, small businesses, and nonprofits in the San Francisco Bay area. Interns from The Stride Center, an Oakland-based nonprofit that trains low-income adults to become computer technicians, provide the repair services, and ReliaTech collects e-waste, which it either recycles or reuses.

“They couldn’t get their hands on enough e-waste,” Hannigan says.

GSB began taking the e-waste it collected from customers to ReliaTech and eventually donated a decommissioned truck to the program, so ReliaTech could pick up the waste directly from its docks.

“Perhaps the most beneficial of the unique giving collaborations we have, and continue to do, is called our Paper Equals Food program,” Hannigan says.

“We’ve achieved an absolutely amazing amount of benefit from trying to use our gas more efficiently,” Hannigan says.

With the extra e-waste ReliaTech has been able to triple the size of its program, Hannigan says. The free e-waste collection also gives GSB a selling point over the competition.

“It’s just another aspect of stickiness that attaches that customer to us,” Hannigan says.

**Partnerships Pay Off**

When a monetary donation is what’s needed, GSB has learned that it pays to partner. Working with other companies to help charities can stretch contributions and benefit all of the players involved.

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The program is a partnership between GSB and BOISE Paper, the manufacturer of the company’s private-label recycled paper product. For every case of the paper that’s sold, a \$1 donation is made to a food bank in the county of sale. BOISE Paper contributes half of the donation and gets cobranded on the boxes. GSB chips in the other 50 cents per case. The food banks promote the paper to their networks because the more cases of paper sold in their counties, the more money they receive. In the years since its inception, the Paper equals Food program has resulted in several hundred thousand dollars to West Coast food banks, according to GSB.

“BOISE wins, GSB wins, the food banks win, and since all the paper is either 30 percent or 100 percent recycled content paper, the environment and the community at large wins,” Hannigan says.

**Giving Back is Good Business**

Companies don’t have to make a huge sacrifice to give back, as GSB has proved. Though the company donates its profits to charity, Hannigan says it offers competitive compensation for employees and product prices on par with the competition.

“In order to make a profit, we have to provide the same level of service and talent in the field that our competitors do,” he says.

By leveraging existing resources, improving efficiency, and establishing mutually beneficial partnerships, the company has been able to serve the communities in which it does business while improving its bottom line.

“That’s the kind of thinking that any management team does, asking ‘How can we use our resources to bring more value to the stakeholders?’” Hannigan says. “Just change the stakeholders to the community, and you come up with some very interesting answers.”

**ABOUT BUSINESS4BETTER**



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