

an asset-based partnership

- | Loblaws
- | Dixon Hall

- | Corporate Social Responsibility
- | Community Economic Development

Companies own valuable assets that they can put at the service of non-profits. One such asset is physical space: office buildings, store facilities, warehouses, production sites. In Toronto, grocery-chain Loblaws made one of its buildings available for a program run by Dixon Hall, a community development organization. The result was a win for both partners—and a creative example of corporate social responsibility through community economic development.

The Partners

Loblaws Co. is Canada's largest food distributor, managing a network of 1,000 stores across the country and employing nearly 140,000 Canadians. Headquartered in Toronto, the company pioneered mass retailing of green food products and runs an active community investment program. Nearly 80 years old, Dixon Hall is a multi-service non-profit serving the homeless and low-income residents of downtown Toronto.

One of the main programs run by Dixon Hall is the Mill Centre, a wood-products shop that employs homeless, poor and new Canadians. The Centre makes and sells household wood products (cupboards, trays, coat-racks, etc.) as well as institutional furniture for non-profit and public agencies.

The Partnership

The Mill Centre originally operated its wood shop in a condemned, run-down building on

the Toronto waterfront, paying considerable rent for this facility. The site was unsatisfactory on many counts: It was located in a relatively unsafe and unlit area, far from public transit. In addition, the building's water supply was contaminated, it suffered from asbestos contamination, the ventilation and insulation were poor, and there was a minimum of natural light.

Thanks to the efforts of a Dixon Hall board member who, as a communications consultant, was also well-connected to the Toronto business community, senior managers at Loblaws agreed to make a better space available for the Mill Centre. The company had a warehouse connected to one of their stores that was at the time being used to house old shopping carts before they were shipped out for scrap metal. Loblaws offered to renovate half the warehouse for the Mill Centre.

Again with the board member's encouragement, Loblaws' management then

“Unused corporate assets can be converted by companies into valuable, in-kind donations that improve the effectiveness and sustainability of the programs of community organizations.”

asked their contractors, with whom the company worked extensively, to renovate the warehouse—for free—which they did. The contractors also donated materials and supplies to the project. At the same time, Loblaws provided an ongoing grant to cover the utilities’ cost of the new facility. For its part, Mill-Centre personnel devoted time to work closely with the design team to ensure the space met the non-profit’s range of needs. Another key partner, Harvest House, a wood products producer and retailer, provided pro bono technical advice on the layout and renovations, helped improve the centre’s training curriculum, and completed the finishing on Mill Centre products. Harvest House also agreed to take on the Mill Centre as a supplier, and began distributing some Centre products.

The Achievement

All of these generous contributions combined to create a more appropriate, functional, attractive and healthier new space for the Mill Centre. Devoid of asbestos, with good ventilation, the warehouse is well-lit with interior rooms that have glass walls that further enhance the natural light. The facility has good access to the street, and is located in a commercial area near public transit.

Furthermore, the new facility is twice the size of the original space, and is thus able to house three other non-profit initiatives in addition to the Mill Centre workshop: ByteMe, a retail outlet for ReBoot Computers, and Calico Market, a weekly social business event. This co-location enables cross-program interaction and synergies.

Finally, the renovated warehouse is a multi-use space, and includes not only the wood shop, but also a new showroom, a meeting room, a kitchen and a dining room. Because it is a first-class facility, wood-shop participants

can be proud of their brand and confident that their work is valued.

Challenges

Like most corporate-non-profit partnerships, there were challenges, as well. First, the cultures of private sector and community organizations are distinct. In particular, corporate decision-making is hierarchical and rapid, where decisions in non-profits often involve extensive internal consultation and require more time. The Mill Centre learned to streamline and communicate its decisions more quickly, and the corporate side learned to accommodate the Centre’s needs, as well.

A second challenge was to sensitize corporate-partner employees to the mission of the Mill Centre. Once that was done, as one Dixon Hall leader said, people on the corporate side “showed an appreciation of what it takes to do our work.”

A third challenge was the concern by Loblaws that if the company participated in this project, it would be deluged by many more requests that wouldn’t fit with its business conditions and models in other sites. In this regard, the company opted to maintain a very low-profile and not seek publicity for its contributions to the Mill Centre.

Impacts

At the same time, however, this investment by Loblaws in a community initiative made its employees and suppliers proud to be associated with the company. While this impact was restricted mainly to the actors involved directly in the project, it was undeniably a significant one.

For the Mill Centre, there were several important impacts. For one thing, the non-

profit gained very real and significant cost-savings from the donated space, labour, materials and money. For another, the new location also stabilized the wood-shop operation, removing the uncertainty inherent in the unsatisfactory original location. Furthermore, the corporate contributions realized in the warehouse project can be levered by Dixon Hall to secure additional funding for the wood shop and related programs from the federal government.

Finally, there were key programmatic impacts, as well. First and foremost, the bigger space permitted a larger intake of participants into the Mill Centre program. Second, co-location of several programs in one facility enabled Dixon Hall to use this site to increase the integration of the various programming units under one umbrella: the Self-Employment and Entrepreneur Development (SEED) Program. In turn, the SEED Program helped the non-profit to realize overhead cost-savings as well as improve its reputation as an innovative leader in the field of community economic development.

Lessons

Three key lessons arise from the case of the Loblaws-Dixon Hall partnership:

1) **Unused corporate assets** can be converted by companies into valuable, in-kind donations that improve the effectiveness and sustainability of the programs of community organizations.

2) **Leveraging supplier relationships** can be a powerful way to add value to corporate social responsibility initiatives for CED;

3) **Champions** possessing credibility with, and links to, both the corporate and non-profit partners can facilitate innovative relationships.

On this last lesson, the Mill Centre's former Director has said: "A key way of getting corporate involvement is by having corporate champions. This is an important strategy and can be very effective."

And there is potential for achieving further downstream synergies in corporate-non-profit partnerships. For example, corporations can also choose to purchase, or distribute, the products and services of social enterprises run by non-profits. This strengthens and stabilizes the revenue streams of these social businesses.

Conclusion

Loblaws was, and remains, very quiet about its support of the Mill Centre. In fact, there is no reference to this corporate partner in any material, or on the website, of the Mill Centre or Dixon Hall. Yet the value generated by the company's conversion of an asset, and putting it at the service of its non-profit partner, has been very high indeed for the participants whose lives have been rebuilt by the Mill Centre program.

“Because it is a first class facility, workshop participants can be proud of their brand and confident that their work is valued.”

“While this impact (of the investment) was restricted mainly to the actors involved directly in the project, it was undeniably a significant one.”

This case study was written by Alison Colwell and Edward Jackson. It has benefited from the insights of Paul Chamberlain, Patrick Gossage and other key participants in the initiative summarized here.

Carleton Centre for Community Innovation

The Carleton Centre for Community Innovation (3CI) brings together superior academic research and knowledge dissemination to Canadian communities in ways that promote long-term growth and sustainable development. One of Canada's leading sources of expertise in social finance, 3CI has also played a leadership role in grant-making, evaluation and policy analysis in the fields of community economic development and social enterprise. From 1997 to 2008, the Centre managed the Community Economic Development Technical Assistance Program (CEDTAP), with the support of The J.W. McConnell Family Foundation, The Ontario Trillium Foundation, Bell Canada and other partners. Other action-research priorities for 3CI include local governance, community learning and community-university partnerships.

www.carleton.ca/3ci

tel: (613) 520-5792

ccci@carleton.ca

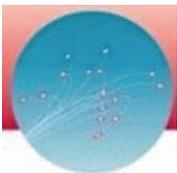
fax: (613) 520-3561

Funding generously provided by The Ontario Trillium Foundation

THE ONTARIO
TRILLIUM
FOUNDATION



LA FONDATION
TRILLIUM
DE L'ONTARIO



Carleton Centre for
Community Innovation

Centre d'innovation
Communautaire de Carleton

