

Giving Guide 2008-2009



PHOTOS BY VICKI THOMPSON

SEEKING SOLUTIONS: Diane Solinger, executive director for the Entrepreneurs Foundation, talks about the advantages of a community giving strategy and says, "Most CEOs think it helps the bottom line."

Entrepreneurs Foundation gives advice on giving back

BY CATHY WESELBY

A decade ago, Silicon Valley companies were awash in profits from the Internet boom, but the money wasn't trickling down to the community nor was the mind-set there to do so.

Enter venture capitalist Gib Myers, a general partner with venture capital firm Mayfield Fund that was working with pre-IPO startups in the valley.

He saw the disconnect and understood it would take more than asking a business for money. It would require educating companies on why it was important to consider allotting a portion of their revenue toward the betterment of the community. To that end, he created a nonprofit that would guide companies on how to share their

wealth with the Silicon Valley community.

In 1999 Myers started Entrepreneurs Foundation to help companies incorporate social responsibility into their operations early within the company's life cycle.

To date, the nonprofit has worked with 160 companies to guide their charitable giving strategy. This has resulted in more than \$5.6 million going back into the community.

Private companies that work with Entrepreneurs Foundation pay a fee for services through stock, while public companies pay cash for the foundation's consulting service.

Executive Director Diane Solinger says the vision has to start from the top.

"Most CEOs think it helps the bottom line," she says.

According to a study by the Points of Light Foundation, 81 percent of companies view employee volunteerism as impacting the bottom line. And 74 percent of companies surveyed agreed that volunteerism increases employee productivity.

In addition, a Cone Corporate Citizenship study reported that 85 percent of people polled said a "company's commitment to a social issue is important when deciding which companies to do business with."

Solinger says the foundation helps executives map their community programs to their corporate strategy.

Nvidia Corp. is one of those companies.

Nvidia Chief Executive Officer Jen-Hsun Huang wanted to hand the company's

philanthropic initiative over to the employees.

Today, all the corporate giving board members are from the ranks, and none are from the executive team.

Tonie Hansen, Nvidia's social responsibility senior programs manager, contacted the foundation for coaching on how to transition the corporate giving program from upper management to the employees.

Hansen says the foundation helped put together a process that defined what the company does well and how those skills could be leveraged into charitable efforts. One of the outcomes was a program where Nvidia employees voted for an education-oriented nonprofit that would receive a \$50,000 grant. In Silicon Valley, the Third Street Community Center, an after school enrichment program, received the most votes.

Philanthropy at work

Solinger says involving employees in the decision-making process is a key to successful corporate philanthropy strategy.

CenterBeam Inc. Chief Executive Officer Kevin Francis says the information technology services company started working with the foundation six years ago to survey employees on how they would like to give back to the community. Management discovered that helping youth was the employee population's No. 1 priority.

"It became our mantra," Francis says.

San Jose-based CenterBeam employees coach the teens at the Bill Wilson Center in Santa Clara and help them hone their job interview skills and hold clothing drives to provide interview-appropriate attire for the teens.

Francis says the rest of the community efforts are done according to the needs of the season.

"When we first started out, we tried to do too much, and we were passing the hat too often," Francis says.

Instead, the company reprioritized and now schedules community outreach by each quarter. Francis says 80 percent of CenterBeam's employees participate in volunteer efforts.

"It's part of our DNA, and it's part of why people like working here," Francis says.

Entrepreneurs Foundation can assist companies in building a community program that maps to its corporate goals.

DemandTec Inc. Vice President of Engineering Tom Fenstermacher says the philanthropy committee contacted the foundation a year ago on how to take its charitable efforts to the next level. The company contacted the foundation around the same time DemandTec went public.

"We wanted a vehicle that could give back to the community," Fenstermacher says. "Entrepreneurs Foundation has been most valuable in advising and establishing an overall corporate philanthropy strategy." The company plans to



AT-A-GLANCE

Entrepreneurs Foundation

Launched: 1999

Founder: Gib Myers

Chairman of the board: Larry Orr

Executive Director: Diane Solinger

Headquarters: San Jose

Employees: 6

Phone: 408.278.2241

Web site: www.efbayarea.org

Teamwork: Larry Orr is the chairman of Entrepreneurs Foundation and managing partner of Trinity Ventures. The foundation helps companies incorporate social responsibility into their operations early in the company's life cycle.

implement an intranet site where employees can market their charitable cause to solicit support from executives and co-workers. The site is free to DemandTec from a partnership between Entrepreneurs Foundation and Sausalito-based AngelPoints.

Fenstermacher says the foundation has also helped to spur the company into action with school bag and food drives during the holiday season.

"My biggest advice to private companies is to begin the process as early as possible," Fenstermacher says.

The foundation is also planning for the future and for how companies will position themselves in the philanthropic world.

Solinger says there are companies that are carving out room for philanthropy from the get-go when filing articles of incorporation.

Steve Sonne, partner at O'Melveny & Myers, says he and his firm are encouraging venture capitalists to consider including in their term sheets a provision to donate shares to Entrepreneurs Foundation at the point when the stock is inexpensive and there aren't a lot of decision-makers.

"The basic premise of Entrepreneurs Foundation is that if you can fund the corporate foundation when you're a smaller company, it's easier and less expensive than later on when you're a public company," Sonne says.

Most entrepreneurs are receptive to the idea, he says.

"Generally speaking, the valley is a very philanthropic place," Sonne says.

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FAST FACTS ABOUT THE ENTREPRENEURS FOUNDATION

- 700 companies worldwide have joined the foundation since 1998.
- For every dollar given to the foundation, \$3 are invested back into the community.
- 69% of Americans say corporate citizenship is important to their trust in a business.
- 91% of persons polled say they have a more positive image of a product or company when it supports a cause.

SOURCE: 2004 CONE CORPORATE CITIZENSHIP STUDY; BUILDING BRAND TRUST; APCO 2004 CORPORATE SOCIAL RESPONSIBILITY STUDY; 2004 GOLIN HARRIS INTERNATIONAL STUDY

WHY COMPANY INVOLVEMENT MAKES A DIFFERENCE

- 62% said employees prefer to work for companies that give them opportunities to contribute their talents to nonprofits.
- 82% said that volunteer activities help them develop leadership and other important workplace skills.
- 93% of corporations surveyed said their volunteer programs helped improve employee teamwork.

SOURCE: DELOITTE & TOUCHE 2007; POINTS OF LIGHT FOUNDATION 1999